Mr. MANSFIELD. Mr. President, with the concurrence of the distinguished Senator from Delaware [Mr. WILLIAMS], and the Senate, let me say that there will not be a vote.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator will yield, I am willing to have a vote this afternoon.

I was afraid that the majority leader might be laboring under a misunderstanding. So far as I am concerned, I am glad to vote now. I have explained the amendment. I have not heard any valid objections to it. I think we should get along with the business of the Senate. I am wondering if we cannot get to a vote this afternoon. It is only 3:30 p.m.

Mr. MANSFIELD. The Senator is most intuitive in his reasoning, as always. He has been ready to vote since Wednesday of last week. I know that he has shown his usual patience and courtesy in postponing a vote on the amendment from day to day. I would hope, with the Senator's concurrence, that we could vote on this amendment Wednesday, Thursday, or Friday of this week. I would hope in the meantime he would allow us to hear some speeches from the Senators who are opposed to the pending legislation.

Mr. WILLIAMS of Delaware. I have no objection to permitting Senators who wish to do so to speak, but this is a rather important bill, and I know the administration and the leadership are very anxious to bring it to a conclusion.

Mr. MANSFIELD. As is the Senator from Delaware.

Mr. WILLIAMS of Delaware. As is the Senator from Delaware. This cannot be done until we vote. We cannot vote on the bill until we dispose of the amendments. It would be helpful if we could start voting on this amendment. I was hoping to get a vote on my amendment today, but I must abide by the decision of the leadership.

Mr. MANSFIELD. The Senator does not have to, but, as the Senator knows, we have been considering the bill since Wednesday, and on Thursday, Friday, Monday, and today, Tuesday, and we have not heard the first speech from Senators in opposition. I would not want the Senate to forego that pleasure.

Mr. HOLLAND. Mr. President, may I say, in respect to that comment, that we have not had a full explanation by the proponents. They have been shy about expressing themselves. We have not had a full exposition of the bill. I would be glad to hear it at any time.

Mr. WILLIAMS of Delaware. Nor have I heard of any objections to my amendment which is the pending business. I was sure it would be noncontroversial. I do not think there is any objection to it, and we can proceed to a vote on it today.

Mr. MANSFIELD. Will the Senator exercise a little more patience?

Mr. HOLLAND. Mr. President, did the majority leader answer the question of the Senator from Mississippi?

Mr. STENNIS. I asked the leader if there would be a vote today, and he answered in the negative.

ARMY EQUIPMENT AND MATERIEL

Mr. STENNIS. Mr. President, during his press conference yesterday on Vietnam, in response to a question, Secretary of Defense McNamara stated that there were no plans at this time to increase equipment procurement over previously established levels. He gave assurance that our procurement of aircraft and conventional munitions, bombs, and ammunition was adequate at the present time and that procurement would be initiated immediately if replenishment was needed.

I have been seriously concerned about the Army's equipment and materiel situation for some time. This is a matter of great importance which is now the subject of a special investigation by the Preparedness Investigating Subcommittee. We expect to hold hearings on it in the near future.

My present concern is not so much the fear that shortages will exist in South Vietnam itself in the immediate future, although that situation must be watched very closely. Secretary McNamara has given assurance that our people in Vietnam have first claim on our entire Military Establishment and have a blank check to draw against. I believe that to be true.

However, my concern is directly related to our operations in Vietnam and the effect which these operations have on the overall Department of the Army procurement and funding.

The fact is that the requirements for our operations in Vietnam are not separately or specifically programed for and funded. The same thing is true with respect to the prepositioned equipment and the equipment provided for the 11th Air Assault Division. These extraordinary requirements are considerable. They must be met by the withdrawal of funds, equipment, personnel, and other assets from the Regular Army inventory. As has been said, they "come out of the hide" of other Army combat forces.

The impact which this has had and will have on the Army as a whole must be inquired into very thoroughly. In other words, our forces in Vietnam could very well be amply supplied and equipped. However, if the supplies and equipment are taken from other high priority combat units and creates shortages in them, the readiness and combat effectiveness of these units could be impaired. The longer the fighting in Vietnam continues and the more it escalates the more acute the problem could become.

Therefore, in order to view the problem in its proper perspective, it is necessary to look at the overall equipment and materiel status of the Active Army. The entire picture is not revealed by looking at Vietnam alone.

Therefore, as I have previously advised the Senate, the staff of the Preparedness Investigating Subcommittee is currently engaged in making a thorough and complete study of the combat and materiel readiness of the Army combat divisions and units. An important part of this study is the impact which the demands and requirements of the Vietnam operations and other unprogramed requirements have had and will have upon other Army combat forces. As soon as our consideration of this important matter has been completed, an appropriate report will be made to the full Committee on Armed Services and, through it, to the Senate.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in adjournment until 12 o'clock noon tomorrow.

There being no objection, the Senate (at 3 o'clock and 42 minutes p.m.) adjourned until tomorrow, Wednesday, April 28, 1965, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 27, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used Job 12: 13: *With Him is wisdom and strength, He hath counsel and understanding.*

Almighty God, give us a clearer vision of the majesty and might of democracy and may we long to disseminate its spirit by making it more comprehensive and catholic, more forceful and fruitful for the welfare of humanity.

Grant that our democracy may not merely be a beautiful doctrine, proclaiming lofty ideals and principles but a dynamic manifesting itself in deeds of concern and cooperation and seeking to minister sympathetically and sacrificially to all who are struggling for freedom and justice.

May our President, our Speaker, and our Members of the Congress, who are entrusted with a high vocation, be blessed with wisdom and understanding and be equal to every crisis and calamity which now confronts our beloved country.

Endow them with a great faith in the cohesive power of love and good will and may they believe that mutual regard and respect will bridge the chasms which still divide the members of our Republic.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

PERSONAL ANNOUNCEMENT

Mr. BALDWIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BALDWIN. Mr. Speaker, I was granted leave of absence by the House of Representatives for the period from March 29 to April 15 on account of illness. For that reason I was unable to vote on rollcalls Nos. 57, 58, 60, 62, 63, 64, 66, 70, 71, 72, 74, and 76.

Had I been present, I would have voted "yea" on rollcalls Nos. 57, 58, 60, 62, 63,

64, 66, 71, 74, and 76. I would have voted "nay" on rollcalls Nos. 70 and 72.

SUBCOMMITTEE ON COMMERCE AND FINANCE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Commerce and Finance of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SUBCOMMITTEE ON TRANSPORTATION OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 77]

Ashley	Hagan, Ga.	Resnick
Baring	Halpern	Rivers, Alaska
Blatnik	Hanna	Rogers, Tex.
Bow	Hansen, Wash.	Ronan
Brademas	Hawkins	Roybal
Burton, Utah	Holland	Scheuer
Clawson, Del	Ichord	Schisler
Clevenger	Jarman	Scott
Conyers	Jones, Ala.	Sisk
Cooley	Lipscomb	Springer
Culver	Long, La.	Steed
Dent	Long, Md.	Teague, Tex.
Edwards, Calif.	Mathias	Toll
Everett	May	Tunney
Farnsley	Mink	Van Deerlin
Flynt	Morrison	Waggonner
Gathings	Morton	Weltner
Giaimo	Nix	White, Idaho
Goodell	Passman	Wright
Green, Oreg.	Powell	Young

The SPEAKER. On this rollcall, 372 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INCREASING THE INTERNATIONAL MONETARY FUND QUOTA OF THE UNITED STATES

Mr. BOLLING. Mr. Speaker, I call up House Resolution 338 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 338

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6497) to amend the Bretton Woods Agreements Act to authorize an increase in the International Monetary Fund quota of the United States. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. CRAMER].

ANTI-VOTE-FRAUDS BILL

Mr. CRAMER. Mr. Speaker, I am introducing today a bill that will have the effect and purpose of making it a crime to steal votes in America. It is the same as the amendment which I offered in the subcommittee of the Committee on the Judiciary considering the voting rights bill. It will be offered by me in full committee at the first opportunity. It, in effect, makes it a crime to give false information in connection with registering to vote, to pay or accept payment for registering, or for voting, or to alter any ballot or voting record with respect to a Federal election.

While the recent emphasis has been on so-called voting rights, any legislation enacted would be meaningless if votes are canceled by others illegally cast, if voters are illegally registered to vote, or if votes cast are not counted properly.

My bill would apply to Federal elections and make it a Federal offense for anyone to give false information as to his name, address, or length of residence in a particular election district. Under the terms of the bill it would also be a Federal offense for anyone to conspire with another to register falsely or to vote illegally, or to offer or accept money or something of value in exchange for registering or voting.

The bill would also make it a Federal offense for anyone to destroy or alter any ballot or record of voting made by a voting machine or otherwise or to fraudulently count or fail to count any vote in a Federal election.

Penalties for violation would be fines up to $10,000, imprisonment up to 5 years, or both.

Certainly, there are many examples of such voting abuses to be found in many parts of the United States. We cannot forget the famous incident in Chicago in the 1960 election when in one precinct 82 votes were cast although the voting list showed only 22 qualified voters as an example. This legislation would be effective to correct such abuses—to guarantee a man that the vote he casts will be cast in a clean election, will not be diluted by an illegally cast ballot, and will be properly counted and tabulated.

Mr. BOLLING. Mr. Speaker, I yield to the gentleman from New York [Mr. CAREY] for the purpose of making a unanimous-consent request.

SUBCOMMITTEE ON LABOR, COMMITTEE ON EDUCATION AND LABOR

Mr. CAREY. Mr. Speaker, on behalf of the gentleman from New Jersey [Mr. THOMPSON], I ask unanimous consent that the special Subcommittee on Labor of the Committee on Education and Labor may be permitted to sit during general debate today for the purpose of continuing hearings on the bill for the creation of the National Technical Institute for the Deaf.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

A BILL TO LOWER RETIREMENT AGE OF JUDGES

Mr. BOLLING. Mr. Speaker, I yield to the gentleman from Arizona [Mr. SENNER].

Mr. SENNER. Mr. Speaker, in 1958 the Congress of the United States enacted Public Law 85–593 to provide that chief judges of circuits and of district courts in the United States should be the senior judge in active service under 70 years of age.

I do not claim that judicial usefulness in the decision of cases is lost at any particular age and I think it is good that our Federal judges are appointed for life; that is, during good behavior.

Inquiries indicate that "senior under 70" has accomplished a lot and is encouraging some voluntary retirements at 70. This permits a new man to come on and still lets the retired judge continue working. Many of the retired judges are making great contributions to the disposition of the total judicial load which is heavy throughout the country.

The functions of a chief judge, above his decision of cases, are largely administrative. It has been found, I believe, that it has worked well to confine the administrative work to those under 70. It is my belief that further benefit will attain if we move the age limit down to 66.

Judges under 50 years of age at the time of their appointment become eligible to retire at 65. Perhaps my bill might encourage a few retirements during judges' 65th years. I do not mean retirement to do nothing, for more of them keep on working about as before with honor, dignity, and dedication.

An effective date of 5 years hence is used in the bill because we should not move precipitately in the field. As drawn, no judge can rightly claim that the bill is aimed at him personally. Bills aimed at individuals are usually bad bills. This is a good bill.

For the record, may I say that I would oppose the bill if it provided for immediate effectiveness or effectiveness on short notice.

Mr. BOLLING. Mr. Speaker, this resolution provides for the consideration of, under a 2-hour open rule, the bill, H.R. 6497, which provides for an increase in the U.S. contribution to the International Monetary Fund.

Of course, this matter is always somewhat controversial, but I know of no controversy over the rule itself and, therefore, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Missouri, my colleague on the Committee on Rules [Mr. BOLLING], has explained, this resolution makes in order consideration of the bill which will increase the contribution of the United States under the so-called Bretton Woods agreement to the International Monetary Fund by $1,035 million.

Under the provisions of the rule, the measure will be debated for not more than 2 hours under an open rule and the usual rule of at least 5 minutes on each side for each amendment in the Committee of the Whole.

Mr. Speaker, H.R. 6497 is a controversial piece of legislation. I believe the last time the House took action on legislation of this type was some 6 years ago, in 1959, when the contribution of the United States to the International Monetary Fund was increased, as the result of congressional action, by about 50 percent.

It was with a great deal of hesitation and some concern that I personally supported that legislation, after I thought I had every assurance by those who were supporting the measure, that it would be the end of the road and there would be no further requests for increased American contributions to the International Monetary Fund.

Since that time, so far as I can ascertain, while the Fund has been used a great deal by other countries, there is little evidence that the United States has received much benefit from the Fund, with possibly one or two short exceptions. Instead, the money the United States has put in has been depleted to help other nations, other countries, other governments.

It is difficult to understand the bills which deal with international monetary matters. This legislation is involved but as I understand it, the legislation carries a provision that the United States of America, out of the $1,035 million of new money to be contributed to the International Monetary Fund, will contribute $250 million in gold, believe it or not, at the very time when our gold supply is insufficient to meet our commitments around the world and here at home.

I received a statement this morning from the Treasury of the United States. I have it in my pocket. It shows that on April 21 we actually had in gold $14,413,063,531.38. Of this, $250 million worth would be sent overseas to be used by somebody else.

I know that those who sponsor the legislation will tell us that by some fancy manipulation or legerdemain the gold will be shifted around and in the end probably will come back and be deposited. Nevertheless, this will be a charge against our gold reserves at a time when we have barely enough gold reserve in this country to guarantee the security, at 25 percent of face value, of our circulating currency.

This is soon after—only a few weeks after—this Congress, at the request of the administration, amended the Federal Reserve Act of 1913–14 to take away, for the first time, the gold support that guaranteed the safety and security of money deposited in the Central Federal Reserve Bank by the member banks in this country. It is this gold support which gave to the Federal Reserve Bank System the strength and sinew that has made our banking system the strongest and the best in the world.

I predicted on the floor of this House—I believe on February 8—that if we continued losing our gold reserves, and if the balance-of-payments deficit were permitted to continue to grow, the time would come, and it would be in only a year or so, when the next step to reduce the gold support behind the American dollar would have to be taken.

The finger of destiny is writing on the wall now. We should have sense enough, judgment enough, wisdom and prophesy enough, to see it today.

I say to you that I, for one, cannot go along with this legislation.

I know there are those across the sea that would love to have this fund built up because they would like to borrow from it. I do not know how true it is, but I have read in the international reports, statements to the effect that our friend Kwame Nkrumah in Ghana would like to get $3 billion from the Fund. We are only going to put in $1,035 million. I understand that perhaps realizing the fact that it would be difficult to get it from someone else, he has let it be known through the financial channels of the world that he would be perfectly willing to accept $800 million. As far as I am concerned, he does not get any of our money if I have anything to say about it. There are others just like him. When you get right down to the basic facts of the matter—and we might as well admit it and realize it—this is just another $1 billion of foreign aid, call it what you may. I hope some of us will learn that with the $100 billion or more that has been spent on these programs we have not gained the peace we seek, we have not secured the friends we would like to have in this world. I hope that what I have said will not be misunderstood. I do not believe in isolationism. I believe that America is the leader of the free world as far as the strong nations are concerned and will meet its responsibilities, but I believe our international relationships, if they are to be sound and are to continue and are to be worthwhile, must be conducted in enlightened self-interest. Until and unless we do that, it will be of no lasting benefit either to those to whom we extend a helping hand or to ourselves. I hope that somehow or other this House of Representatives today will say that we have gone far enough and this is the time to stop for awhile. Let use conserve our gold reserves. Let us see if the world cannot get along for a little while without more American money and more American aid.

I know we are going to listen to the dulcet tones, the sweet voices of those who talk about international love and understanding but now is the time to put just a bit of practicality into our thinking. Remember that while we want to be fair to those in other lands, we also have a great and growing responsibility for those who sent us here to represent their best interests in this Chamber.

Mr. Speaker, I now yield 10 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I should like to ask someone in charge of this bill why it is before us. For what reason is this bill here?

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. REUSS. Mr. Speaker, as a member of the subcommittee which has been active in the preparation of this bill, I should be glad to answer the gentleman from Iowa. There are good reasons, in the self-interest of the United States, as to why this bill is here. Those reasons are that this country needs to protect its international balance of payments. One of the most precarious items in our international balance of payments is the short-term movement of capital. Short-term capital tends to move very largely because people are concerned about the dollar and have fears, however unreasonable and unfounded, that the dollar might be devalued. Therefore, to the extent that we can increase our drawing rights, as we do, to the tune of more than $1 billion under this measure, in the International Monetary Fund, we can allay fears about the future of the dollar. That is why in essence I believe this is a good bill, and does not go far enough.

Mr. GROSS. What was the phrase the gentleman used? Increase our what?

Mr. REUSS. Increase our drawing rights under the International Monetary Fund. Our drawing rights are our rights to go to the Fund and get the scarce hard currencies which are now so much in demand in the world; namely, the French franc, the deutche mark, the Belgian franc, the Swiss franc, the Italian lira, and one or two others which are highly in demand and of which the Fund, unfortunately, is now in very short supply.

The big point to recognize is that this will enable the Fund to replenish itself with those scarce and desirable continental currencies.

Mr. GROSS. Have we not been buying French and Swiss francs?

Mr. REUSS. The only way we can buy French francs and Swiss francs is with gold, with the deleterious effect which was pointed out by the gentleman from Ohio [Mr. BROWN]. If we can get this quota increased through the International Monetary Fund, we then can get those valuable, scarce continental currencies by paying for them with dollars, which is, of course, very much to our advantage.

Mr. GROSS. But we are putting another $259 million in gold into this Fund, are we not?

Mr. REUSS. But with the $259 million in gold we get access to $1¼ billion of scarce foreign continental currencies which means that we are getting a 5-for-1 return on our hard reserve investment, which is a very good deal. I wish it went further. I wish it were even a better deal.

Mr. GROSS. I wish I could believe that this was a favorable deal, but I certainly do not. We have already put $4,125 million into this Fund, is that correct?

Mr. REUSS. That is the extent of our quota. We have not actually put that in. We have already put in the gold portion of it.

Mr. GROSS. We are committed for $4,125 million to this Fund, is that correct?

Mr. REUSS. It is technically correct, but the Fund is now so overladen with dollars that it is unreasonable to suppose that any call upon us for this would be made for some years. But I do not want to quibble with the gentleman. This is a legal obligation of ours.

Mr. GROSS. It is a legal obligation. And the $1,035 million provided under the terms of this bill would increase our part in this Fund to something more than $5 billion; is that correct?

Mr. REUSS. That is entirely correct.

Mr. GROSS. Our commitment to this Fund would be more than $5 million. Now, as to the number of countries, that has been increased to what—102 or 121?

Mr. REUSS. 102.

Mr. GROSS. And if they meet their quotas—and this is a big "if," a big i-f, is it not?

Mr. REUSS. If they do not meet their quotas, then they are out in the cold, because they will not have any drawing rights.

Mr. GROSS. The Fund is going to $21 billion?

Mr. REUSS. Yes.

Mr. GROSS. Including our $5 billion?

Mr. REUSS. Yes.

Mr. GROSS. So that 101 other countries would have a commitment to this fund of $16 billion, approximately, is that correct?

Mr. REUSS. That is correct.

Mr. GROSS. Why in the world do they not put up far more than they did in 1959, far more than they are putting up under the terms of this bill? Why do we carry the lion's share, or approximately one-quarter of the total Fund?

Mr. REUSS. There are two answers to that. The first answer, and an important one, is that our drawing rights on the International Monetary Fund are usable and valuable only insofar as there is in the treasury of the International Monetary Fund these scarce, hard convertible continental currencies that have been previously alluded to.

The cupboard is almost bare now. The replenishment will mean that there will be something meaningful there.

The second answer is that I to a large extent agree with the gentleman from Iowa that the French, the Belgians, the Dutch, and others might well have been more generous in their quota contribution to the Fund. True, they gave the same percentage we did, 25 percent, but there were 16 other countries, including—to do them justice—West Germany, Austria, Ireland, Israel, and many other smaller and larger countries, which gave more than their 25 percent.

I agree with the gentleman from Iowa that the French, the Dutch, the Belgians, and some others could well have taken the lead from these other little countries and given more than their 25-percent quota.

If the gentleman from Iowa will read the report which has been prepared by the Committee on Banking and Currency the gentleman will find that we speak quite stingingly of the failure of other countries to put in what we regard as their fair share.

Having said all that, however, despite the relative niggardness of some of the countries I have mentioned, they are nonetheless altogether putting in more than $1 billion worth of these scarce lira, francs, and deutsche marks about which we are talking, and this is as good as gold.

Mr. GROSS. Right here is where the gentleman from Wisconsin and the gentleman from Iowa come to a parting of the ways. You say in a report—and there are far too many reports accompanying bills around here that are critical of the failure of others to do their share—to criticize and say, "You ought to have done better." But then you turn right around and dig into the pockets of the taxpayers of this country to put up more money to make up for their discrepancies and failures to meet their obligations. That is where the matter ends except that Americans are gouged again.

So here today you come right back full circle, back to the report which states, "We do not like what you did not do in the past," but here again we are going to crack the whip over the backs of the taxpayers of this country in order to make up the deficit for the failure of others to meet their responsibilities.

I do not like it. I agree wholeheartedly with the gentleman from Ohio [Mr. BROWN] in his earlier remarks in opposition to the bill.

Mr. REUSS. I hate to hear the gentleman say that the gentleman from Iowa and the gentleman from Wisconsin are about to cease their fruitful cooperation on the floor of the House, but if that be so, then it has to be.

Mr. GROSS. I will say to the gentleman from Wisconsin that there never was any cooperation between the gentleman from Iowa and the gentleman from Wisconsin over the foreign giveaway program, because the gentleman from Wisconsin is much too liberal for me in that respect.

Mr. REUSS. Let me say to the gentleman from Iowa that in his zeal to be illiberal, he defeats his own purpose, because the ironic thing about this bill is, as I said earlier, though the French, the Belgians, and the Dutch have been niggardly, nevertheless, taking the thing altogether, this is an extremely good deal for the United States.

Mr. GROSS. I am sure it is. Some people think all foreign handout programs are good deals. I do not.

Mr. REUSS. If the gentleman from Iowa wants to pursue a course of voting against something which puts us on the trail of $1 billion, or more, of hard currencies, he is doing his principles a disservice.

Mr. GROSS. The gentleman from Wisconsin is operating exclusively on my time, and I do not get too much of it on some occasions.

But the $4 billion we have already put into this fund, where has it disappeared to? What happened to it?

Mr. REUSS. Our bread upon the waters has been returned, because the IMF now not only has the dollars which we put into it, but has financed more than $1 billion for us in addition. They could not be more of a good neighbor than they are on that. It is greatly to our advantage. The gold is over there and we have a claim on it.

Mr. GROSS. I am glad to hear the gentleman say that. I would like it a whole lot better if the gentleman said that the gold was still at Fort Knox and our dollars were over here in the U.S. Treasury.

Mr. REUSS. The gold is in the Federal Reserve Bank right in New York, and if the gentleman from Iowa will come up there sometime I shall show it to him.

The SPEAKER. The time of the gentleman from Iowa has again expired.

Mr. BOLLING. Mr. Speaker, if the gentleman from Ohio has no further requests for time, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 317 and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 317

Resolved, That, for the purposes of the studies specified in clause (1) of H. Res. 19, Eighty-ninth Congress, approved by the House of Representatives on February 16, 1965, the Committee on the Judiciary is hereby authorized to send seven of its members and two of its employees to Europe, and to attend the twenty-fifth session of the executive committee and the twenty-third session of the Council of the Intergovernmental Committee for European Migration in Geneva, Switzerland. The subcommittee is authorized to sit and act whether the House has recessed or has adjourned, and to hold such hearings as it deems necessary: *Provided*, That the subcommittee shall not undertake any investigation of any subject which is being investigated by any other committee of the House.

Notwithstanding section 1754 of title 22, United States Code, or any other provision of law, local currencies owned by the United

States shall be made available to the Committee on the Judiciary of the House of Representatives and employees engaged in carrying out their official duties under section 190(d) of title 2, United States Code: *Provided*, That (1) no member or employee of said committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in section 502(b) of the Mutual Security Act of 1954, as amended by Public Law 88-633, approved October 7, 1964; (2) no member or employee of said committee shall receive or expend an amount for transportation in excess of actual transportation costs; (3) no appropriated funds shall be expended for the purpose of defraying expenses of members of said committee or its employees in any country where counterpart funds are available for this purpose.

That each member or employee of said committee shall make to the chairman of said committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation, if furnished by public carrier, or if such transportation is furnished by an agency of the United States Government, the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Mr. Speaker, I yield 30 minutes of my time to the gentleman from California [Mr. SMITH], and at this time I yield to the gentleman from Iowa.

Mr. GROSS. I did not catch the number of junketeers provided for in this resolution.

Mr. BOLLING. The language of the resolution is as follows:

The Committee on the Judiciary is hereby authorized to send seven of its members and two of its employees to Europe.

Mr. GROSS. So the total is nine who will take this junket.

In the face of the President's edict that American tourism to foreign countries ought to be curbed this year, would this resolution apply?

Mr. BOLLING. The gentleman from Missouri is only able to speak of the language of the resolution. This resolution is one which has been passed I think all of the years that the gentleman from Iowa and I have served here together. It is a resolution that makes possible a trip of a number of people on the Judiciary Committee to pursue the object laid down by our late colleague, Mr. Francis Walter, in this particular intergovernmental committee which, I understand, has been of great value to many hundreds of thousands of people.

Mr. GROSS. I am glad to hear it has some value, but is this not the first year we have had the President of the United States importuning the people of the country not to go abroad, to conserve dollars, keep them at home, see America first? I wonder if these congressional junketeers could stay in this country this year and save and spend the dollars here at home?

Mr. BOLLING. I think the only difficulty with that is the intergovernmental committee plans to meet in Geneva, Switzerland.

Mr. GROSS. We might invite them over here. Finally, would I be criticized by the President for voting for this resolution to send a congressional delegation abroad?

Mr. BOLLING. The gentleman from Missouri would have to say to the gentleman from Iowa he feels the President of the United States is perfectly competent to speak for himself.

Mr. GROSS. I thank the gentleman.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the money in this resolution is largely counterpart funds. It will not take any gold out of the country. This is a real fine organization. I heartily support the resolution. It agrees with our procedure followed every year, and I urge its adoption.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INCREASING THE INTERNATIONAL MONETARY FUND QUOTA OF THE UNITED STATES

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6497, to amend the Bretton Woods Agreements Act to authorize an increase in the International Monetary Fund quota of the United States.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6497, with Mr. ASPINALL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PATMAN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, if anyone wants to know additional good reasons why this bill is before us, I invite his attention to the commencement of the hearings on this bill, page 1, a statement of President Johnson. There are good reasons on page 2 why this bill is necessary. Anyone who desires to know the different participating countries in the IMF, I suggest that you turn to page 25 of the hearings.

May I invite your attention further to the fact that these participating countries do not include any Communist bloc countries. Their are countries that have private enterprises that will be helped by the passage of this bill. Those of us who desire to promote the private enterprise system can carry forward our philosophy and good intentions by voting for this bill.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Missouri.

Mr. CURTIS. I turn to page 25, and I see immediately Yugoslavia is listed.

Mr. PATMAN. I said Communist bloc countries. There is only one country that would be considered a Communist country but it is not a Communist bloc country. Communist bloc countries are not included here. But generally Iron Curtain countries are excluded. Yugoslavia is a small exception and it is not a bloc country. So if you want to encourage the private enterprise system, I suggest that you seriously consider not opposing this bill but actually voting for it in order to express your interest in the furtherance of the private enterprise system in all the free countries of the world. That is what this bill is for.

Mr. Chairman, H.R. 6497 authorizes the U.S. Governor to the International Monetary Fund to consent to an increase of $1,035 million, in the quota of the United States in the Fund and would authorize the appropriation of this amount.

The purposes of the International Monetary Fund is primarily one of facilitating the expansion and balanced growth of international trade. Such stability and balanced growth contributes to the promotion and maintenance of high levels of employment and income in all of the member countries of the Fund.

At page 25, that I referred to, you will also notice the proposed quota increase of all these countries. I know you will be agreeably surprised to find that there are substantial increases made by countries way beyond their quotas because they realize the importance of the International Monetary Fund particularly to private enterprise in their respective countries.

The Fund accomplishes this objective by making its resources available to member countries. This allows them to make needed adjustments in their balance-of-payments position without resorting to measures that would be destructive to national or international trade and economic prosperity.

The proposed increase in quotas for members is a general increase whereby each country that is now a member of the Fund would participate. These increases will not take effect unless the Governors with 80 percent of the votes cast them affirmatively on this proposition. Furthermore, the increases will not become effective unless and until countries with two-thirds of the quotas at the present time agree to their increases.

This bill would raise the U.S. quota, assuming the above qualifications are met, to an amount of $5,160 million. The total quotas of all countries will be increased to $21 billion if all members agree to their proposed increase.

The current necessity for this increase comes about primarily as a result of the increased volume of international commercial and financial transactions plus the substantial increase in the magnitude of fluctuations in payments balances. The substantial growth of the world economy and international trade alone dictates the desirability of increasing the resources of the Fund to deal with the obvious immediate payment imbalances

that occur from these international transactions.

In this connection I might add that the United States enjoys a very healthy trade surplus. In 1964, according to preliminary figures furnished me by the Department of Commerce, U.S. exports exceded our imports by over $8 billion. So it is quite plain that since we are a leading trading nation, measures taken to encourage world trade can only benefit the position of the United States.

During the hearings on this legislation, many of the committee members were concerned over the inadequacy of the proposed increases for some member countries. As Secretary of the Treasury Dillon stated during the hearings:

> The current proposal can only be considered as an obviously essential but barely minimal step in strengthening the international payments system.

It was the feeling of many of the committee members that in several instances a number of countries have fallen far short of meeting their responsibilities for contributing to the supply of international credit.

In the committee's report specific mention is made of several of these countries. It should be pointed out first that in addition to the general increase in quotas of 25 percent, the report of the Executive Directors of the International Monetary Fund provides for special increases in the quotas of 16 members, including Germany, Canada, Japan, and Sweden. Italy had previously obtained a special increase almost doubling its quota in early 1964. These special increases will be helpful to the International Monetary Fund and its members by increasing these quotas to bring them more in line with the relatively greater improvement in their economic positions in the world since the last quota increase in 1959.

Countries which in the judgment of the committee have fallen short of meeting their responsibilities in contributing to the supply of international credit are France, the Netherlands, and Belgium, in particular. These countries have not agreed to any special increases in their quotas, even though they enjoy high levels of prosperity, strong balance-of-payments positions, and substantially improved levels of international reserves.

Recognizing that some progress is better than no progress at all, the committee concluded that an increase of the U.S. quota to a total of $5,160 million as part of the increased subscription by all members of the Fund would be in the interest of the United States and contribute to the monetary and financial stability of the world economy.

Support for H.R. 6497 in the committee was almost unanimous. However, the minority members of the committee felt called upon to issue some supplemental views. It should be pointed out, however, that even though the minority issued supplemental views, they support the bill because of their conviction that the International Monetary Fund "has and will continue to serve a vital role in international monetary cooperation."

The supplemental views of the minority spoke to a number of issues which I believe require some comment and observation. First, mention was made of our serious balance-of-payments problem. This is a matter which the administration has been keenly aware of and as a result of the several programs instituted in the last several months there is every indication that effective measures have been taken to reduce our balance-of-payments deficit.

Second, the members of the committee recommended further limitation on our foreign aid expenditures as a result of reducing balance-of-payments deficit. It should be pointed out that in the administration of the aid program the United States has tied our assistance to purchases of goods and services in the United States. Over 85 percent of all new aid commitments are so tied. In 1964 dollar payments abroad under the aid program were down to about a half billion dollars out of a total of $2 billion, and this relative amount is being further reduced.

Further, the minority members of the committee make some critical comments about steps that have been taken to halt the outflow of capital. It is recognized that the President's program in this respect is temporary in nature, but necessary due to the situation that has developed in the last few years. Congress did pass the interest equalization tax and the President has invoked the powers under the Gore amendment to apply the tax to bank loans of maturity of 1 year or more. The voluntary program under the Federal Reserve guidelines should further curb the unusual drain on our balance of payments resulting from capital outflows as should the activities in this same manner which the other departments are carrying out.

It is important to note that the administration has stated that at no time do they regard this check on the outward movement of capital as a desirable permanent feature of our economic system or of our international financial relations. These measures are all temporary in nature, but currently are needed to help bring about quick action in restoring our balance of payments position to a favorable level. Finally, the supplemental views are critical concerning the arrangements made for mitigating the impact of gold payments to the Fund under the proposal for increasing quotas. No doubt these arrangements are complicated, but they are intended to reduce to a minimum the effect of the quota increase of other countries on the gold holding of the United States.

Your Committee on Banking and Currency has followed the operations of the Fund since it was established and has previously recommended, in 1959 and in 1962, favorable action on proposals for increasing the resources of the Fund. In summary, in considering the present bill, we were very much concerned with the budgetary and balance-of-payments effects of the proposed increase. We were impressed with the fact that this proposed quota increase makes special arrangements to minimize the impact of quota increases on United States reserves. We noted that budgetary provisions have been made for payment of the U.S. subscription, and that a letter of credit would be issued to the Fund for the dollar portion of the subscription. It is not expected that expenditures under this letter of credit will be required in the foreseeable future. The gold subscription of $258.75 million will constitute an expenditure at the time the increased U.S. quota becomes effective. This gold payment will not, however, adversely affect the balance of payments, since our "gold tranche" position in the Fund, which is part of our international reserves, will be increased exactly by the amount of our gold payment, and will be available for use if needed.

President Johnson, in his letter transmitting the legislation, said in part:

> The International Monetary Fund has played a key role in the flourishing economic growth experienced by the free world in the last two decades. An expansion of the Fund's resources is now needed if it is to continue to contribute effectively to free world growth in the future.

The National Advisory Council on International Monetary and Financial Problems, established under the Bretton Woods Agreement Act to coordinate our policies in relation to the Fund, has strongly recommended action to increase the U.S. quota.

Secretary of the Treasury Dillon, as Chairman of the Council and U.S. Governor of the Fund, in his testimony before the committee, urged adoption of the bill as did the Board of Governors of the Federal Reserve System. Two outside academic witnesses also supported the legislation, in addition to the American Bankers Association, the AFL–CIO, and several individual commercial banks.

Mr. WIDNALL. Mr. Chairman, I yield myself such time as I may require.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Missouri.

Mr. CURTIS. Mr. Chairman, I just want to take this time to commend the gentleman from New Jersey and the other Members of the minority for their very well written and thoughtful supplemental views. It is one of the finest jobs I have seen.

Mr. WIDNALL. I thank the gentleman for his comment.

Mr. Chairman, during the 18 years that the International Monetary Fund has been in operation, member countries have drawn $9 billion of currencies to assist in financing balance-of-payments deficits. Only slightly over half of these drawings were made in U.S. dollars. Prior to 1960 the dollar was the currency most used for drawings from the Fund. However, since then, with reestablishment of external convertibility of the currencies of the other leading industrial nations, greater use has been made of their currencies for Fund drawings than has been true of the dollar. In the 5-year period 1960–1964 inclusive, dollar drawings from the Fund amounted to $1.5 billion or only approximately 27 percent of the $5.6 billion drawings from the Fund in all currencies.

This is one international operation in which we engage in which the United

States no longer has to provide the preponderance of the assistance made available. It is also the one international operation in which we engage through which the United States directly has participated in benefits of being a member of the organization. The Fund has sold gold to the United States for dollars and since February 1964 the United States has drawn approximately $600 million of various foreign currencies to absorb foreign dollar holdings which otherwise might have become a drain on our gold stock.

The Fund, of course, does not directly finance foreign trade; that is done by countries themselves and by their private banking systems. What the Fund does do is assist in the financing on a 3- to 5-year basis of balance-of-payments problems as between surplus and deficit countries. In this manner the Fund assists in promoting stability in exchange values which in turn facilitates expansion of world trade.

Postwar expansion in world trade has been strong. The Fund has had a part in this good showing but by no means the only one. For instance, the $9 billion drawings from the Fund are dwarfed by the more than $100 billion of foreign aid which the United States itself has pumped into the economies of the world in the postwar period. The $1.4 billion of drawings from the Fund in 1964 is a modest sum indeed compared with world imports totaling $156 billion last year.

Postwar stability in exchange values of world currencies has been relatively good. But again it would be in error to give all the credit to the Fund for this achievement. At the time of the Suez crisis in 1956 standby credits of $1.8 billion were made available to the United Kingdom; of this, $1.3 billion was from the Fund and $500 million from our own Export-Import Bank. In the 1961 run on the pound, following the Dutch and German revaluations of their currencies, the United Kingdom drew $1.5 billion of currencies from the Fund and refinanced $910 million of short-term loans which promptly had been made available to the United Kingdom by European central banks at the start of the crisis. In the Canadian crisis of June 1962, standby credits of $1.05 billion were made available to Canada. Of that total, $300 million was from the Fund and $650 million from U.S. sources including $400 million by the Export-Import Bank. To assist the Italians in their March 1964 stringency, credits of $1.2 billion were mobilized. Of that sum $225 million was from the Fund, $250 million from Germany and the United Kingdom, and $733 million from the United States, including $200 million from the Export-Import Bank. In the British crisis of last November, Austria, Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, the United States and the Bank for International Settlements, overnight provided $3 billion of standby credits to the United Kingdom to defend the pound sterling. These 3-month credits were arranged with the understanding the United Kingdom would draw $1 billion from the Fund to pay off their outstanding short-term credits previously obtained from these countries. The $1 billion drawing from the Fund was made in December of last year. Of the $3 billion emergency credit to the United Kingdom, $1 billion was from the United States—including $250 million from Export-Import Bank—and $2 billion from the 11 other participants.

I mention the above facts on trade and international financial undertakings to place the Fund's operations in perspective. In no way do I disparage operation of the Fund.

Even though the Fund was not a direct participant in the new $3 billion credit made available to the United Kingdom last November, nevertheless the Fund was an important factor in facilitating the immediate mobilization of that huge credit. As noted above the Fund picked up $1 billion of their outstanding short-term obligations owed by the United Kingdom through funding those current United Kingdom short-term debts into a 3-year credit from the Fund. That cleared the decks for the new short-term credits made available by the participating countries. The $3 billion new credits were of a short-term nature—3 months with a February 1965 due date. Before due date the credits were extended for another 3 months to allow additional time for the United Kingdom to work out further arrangements with the Fund for converting a part of those short-term obligations to new 3- to 5-year credits from the Fund.

A Reuters' London dispatch dated only last Thursday, April 22, stated:

> Britain will ask to draw more than $1 billion credit available to it at the International Monetary Fund, informed sources said here today. The exact amount which Britain will claim, although still to be decided, is likely to be in the region of $1.3 billion—nearly the whole of the country's IMF credit of $1.45 billion. The IMF credit will be used to repay and replace the $3 billion credit put at Britain's disposal during last November's sterling crisis by the central banks of 11 countries and the Bank of International Settlement.

Without question, the existence of the IMF as a standby source of intermediate-term credit was a powerful inducement for the participants to make the $3 billion short-term credits available in the first instance as it provides the means of funding the short-term credits actually drawn.

It is also important to put the proposed 25-percent quota increases of the Fund in perspective. The proposal to ask member countries for 25-percent increases in quotas in the IMF was agreed upon last September in Tokyo at the Fund's annual meeting. Since then the United Kingdom crisis of last November has given new urgency to the proposal. The last December $1 billion currency drawing by the United Kingdom from the Fund and the prospective additional $1.3 United Kingdom drawing, totals $2.4 billion. That compares with the $3.3 billion of readily usable assets the Fund will acquire as a result of the 25-percent quota increases of the members of the Fund. In other words, 73 percent of the increased cushion in Fund lending resources contemplated at the Tokyo meeting of the Fund last September will already have been committed even before the quota increases become effective, as a result of the United Kingdom crisis of last November.

At the 1964 year end the Fund had $3.35 billion of U.S. dollars, so dollars were in surplus position in the Fund. That makes it unlikely that the Fund in the foreseeable future will actually have to call on the $776 million letter of credit which the United States will give the Fund to satisfy the 75 percent currency subscription portion of our $1.035 billion additional quota subscription. The balance of our additional subscription $259 billion—25 percent—immediately will be payable in gold. Some have raised the question why then should the United States participate in the increased quota subscription when dollars are already in a surplus position in the Fund and the United States is experiencing substantial gold losses. Basically, the answer, of course, is that the Fund is in need of additional usable resources and as a member, the United States should participate proportionately with other members in the increase sought from all members. But over and above that consideration is the fact that for our immediate $259 million gold subscription cost, the Fund will receive from other member countries usable currencies—other than the dollar—in the amount of $1.43 billion plus gold in the amount of $794 million—excluding our gold subscription of $259 million. In other words, for our immediate $259 million cost, $2.23 billion of other country readily usable assets are being mobilized in an international financial institution to counter existing and future international monetary problems.

This bill is in the best interests of the United States. I urge its adoption.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Illinois.

Mr. FINDLEY. Will the gentleman tell me if the committee in considering the currency problems of the United States, explored the situation in an effort to determine the degree to which the tourist dollar exchange program has been utilized as a means of improving our balance-of-payments situation? This tourist dollar exchange program was authorized by law back in 1961. Under that law in the countries where the program was implemented by both the recipient country and our own country, tourists visiting embassies in those countries are able to exchange their dollars for local U.S.-owned currencies which they can spend while in the host country.

Mr. Chairman, can the gentleman tell me why the administration has not utilized more fully the tourist dollar exchange program? Did the committee explore this question, in view of our critical currency problem?

Mr. WIDNALL. I may say in answer to the question asked by the gentleman that it was touched upon but not fully explored.

Mr. FINDLEY. Mr. Chairman, the United States is missing out on a multimillion-dollar gain in its balance-of-payments position simply because the

Johnson administration has dragged its feet in utilizing the tourist-dollar exchange program approved 4 years ago.

Under the program, our citizens entering a foreign country can exchange their dollars at the U.S. Embassy for equal value in U.S.-owned local currencies. The currencies are acquired when the United States ships surplus farm commodities overseas under title I of Public Law 480. The exchange keeps tourist dollars spent abroad from becoming a claim on our gold supply. Every dollar exchanged is a clear dollar gain in our balance of payments.

Despite our critical gold situation, the tourist-dollar exchange program has been utilized to only a tiny fraction of its potential. It has been almost totally neglected since the program was authorized in 1961. I have tried repeatedly—and with little success—during the past 4 years to get the administration to promote this program. Our officials seem to be more concerned about the currency problems of other countries than our own.

The program has been accepted by 30 different countries, but to date the administration has placed it in operation in only two—Egypt and Israel—and there on a very small scale. The mechanics for the program may soon be established in a third country, India.

Here are the countries which have approved the tourist-dollar program, but where the Johnson administration has not acted to implement it: Turkey, Greece, Syrian Arab Republic, Bolivia, Iran, Guinea, Morocco, Brazil, Uruguay, Taiwan, Ceylon, Tunisia, Korea, Vietnam, Paraguay, Sudan, Ethiopia, Cyprus, Senegal, Congo, Jordan, Iceland, Peru, Ivory Coast, Philippines, Colombia, Dahomey. Obviously, U.S. travel to some of these countries is small, but even the most remote nation gets a U.S. visitor once in awhile.

The tourist dollar program is identified in Public Law 480 as subsection (s), section 104, of title I. Subsection (t) was added last year to broaden this provision to include U.S. travelers who do not qualify as tourists.

Under title I agreements, a portion of the currency proceeds is set aside for specified U.S. uses within the recipient country. Among the uses which may be specified is the program for tourist dollar exchange. The portion of currency set aside for U.S. uses varies from one agreement to another.

In my opinion our negotiators have not driven hard enough bargains, but I am glad to report that the percentage set aside for U.S. uses has been rising sharply in recent agreements, and now averages well over 20 percent.

In analyzing title I agreement details, it should be borne in mind that several claims, in addition to tourist-dollar exchange, are made on the currency set aside for U.S. uses. Among these are embassy expenses, cost of U.S. military security programs within the country, and so forth.

However, it is evident that the potential for tourist-dollar exchange under these agreements is tremendous.

The total value of the agreements comes to $2.4 billion. Of this an average of over 20 percent was set aside for U.S. uses. Twenty percent of $2.4 billion is $480 million.

Without doubt, the administration has been passing up a multimillion-dollar opportunity to ease the U.S. balance-of-payments problem.

Out of the proceeds of the title I transactions, under which $2.4 billion worth of American farm commodities were virtually donated abroad, to date only $87,837 worth of local currencies have been exchanged.

Some credit to the tourist dollar provision must be given the Yugoslavian agreement for conversion into dollars—over a period of time—of $250,000 in local currencies.

However, the actual exchange of local currencies for tourist dollars to date is the meager $87,837.

Why has it not been greater? First of all, the administration has not even seen fit to set up the mechanics for the tourist-dollar exchange in 27 of the 30 countries which have approved it.

Secondly, the adminstration has not adequately promoted the program where it is established.

In the two lone countries where it is in operation, Egypt and Israel, only a trifling amount of publicity, until very recently, has been given to the program. Little effort has been made to explain it to U.S. citizens heading for those two countries, much less sell it to them.

Publicity leaflets should be included as a matter of routine in correspondence about passports. They should be distributed to U.S. citizens boarding ships or planes bound for Israel and Egypt.

Why cannot just a little of the vast propaganda resources of the Federal Government be used to promote the tourist-dollar program? Such promotion would pay off handsomely and quickly in easing our gold crisis.

Most U.S. citizens, given the information, will cooperate with the tourist-dollar program, simply as a patriotic assist to their own country. However, to secure maximum interest and cooperation, I propose that tourists who do cooperate be given the privilege of bringing back home up to $500 in merchandise duty free. The present limit is $100, and a proposal made by the President would cut this to $50. By permitting those utilizing the tourist-dollar exchange program to go to the old maximum of $500 full cooperation would be assured.

Six countries have steadfastly refused to accept the program. They are Pakistan, Finland, Indonesia, Poland, Yugoslavia, Burma.

In addition, some countries have acted both ways—accepting the tourist-dollar provision in some agreements, refusing it in others.

Our negotiators may have tried to include the provision in all agreements but obviously did not try hard enough. All told, agreements totaling $1.58 billion excluded the tourist-dollar program.

Mr. WIDNALL. I thank the gentleman for his remarks.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand the gentleman to say that the British are going to touch up this fund for another billion dollars in order to prop up the pound sterling?

Mr. WIDNALL. I believe the gentleman understood me correctly.

Mr. GROSS. It was only about 4 months ago that they negotiated a loan from a few countries, with the United States putting up the big end of $3 billion, a so-called loan to prop up the pound sterling. Does the gentleman think there is any way the pound sterling can be kept from collapsing, or are we going to continue to pay the big end of all these deals to take care of the pound sterling?

Mr. WIDNALL. We are not putting up the big end. We are putting up a minority percentage of the funds being used to prop up the pound sterling. I believe it is felt that it is in the interest of all nations who are members of the fund to keep the pound sterling a stable currency.

Mr. GROSS. We are putting in a greater amount. If this increase is voted today, and I hope it will not be, but if it is American taxpayers will be committed to another billion dollars, and a total of $5 billion. That is almost one-fourth of the total of $21 billion if all the rest of the countries meet their quotas, which they probably will not do. So we are certainly carrying the preponderance of this international financing as one nation out of 102.

Mr. WIDNALL. Sixteen billion dollars of the proposed quotas would be put up by other nations.

Mr. GROSS. But we are one nation out of 102. So the preponderance of this load is being carried by the American people.

Mr. WIDNALL. I believe the gentleman from Wisconsin [Mr. REUSS] answered the gentleman correctly. We feel several nations should be putting up more than the 25-percent quota at this time. Many of the smaller nations have gone beyond the 25 percent. There is good cooperation, good general cooperation in this field. The U.S. representatives are working, I am sure, to getting better percentages.

Mr. GROSS. I noticed in the paper this morning a story attributed to one of the Members of the House of Representatives. Perhaps the gentleman will be able to identify him. He is proposing legislation to reduce the $318 billion national debt by 10 percent. This Member of the House would reduce the debt by the expedient of transferring $30 billion in interest-bearing Government securities from the Federal Reserve bank to the Treasury.

I wonder if there is any way by which, instead of authorizing $1,035 million of new money, we could not somehow finance it out of our debt. Does the gentleman believe a gimmick of that kind along with some fancy footwork could be used in the financing of the fund by this country?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman referred to the proposal which I made in introducing a bill yesterday as a gimmick. I just want to set the record straight. The American people have a hard enough time paying their debts once. These $30 billion of bonds in the Federal Reserve System have been paid one time with good American currency. No one can oppose this bill without saying we should pay our debts twice. I am only asking for the cancellation of those bonds that have been paid for once.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. PATMAN. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, it is clearly in the national interest that we enact H.R. 6497, the bill to authorize an increase in the International Monetary Fund quota of the United States. The Fund proved its value as an institution for promoting international monetary stability through its medium-term credit facilities, it rules for international financial conduct to which members adhere, and the expert advice it makes available to members. An increase in the quota of the United States, along with parallel increases in the quotas of the other member countries, would strengthen the Fund. This would benefit all countries and, in particular, the United States, which has made use of the Fund's resources to conserve our gold reserves. My only reservation about the bill is that the Fund's quotas should be increased even more than is proposed, and that other countries are not fairly meeting their responsibilities for contributing to international monetary stability. But we should clearly enact the bill now before us, even if some of us feel that it does not go far enough. It is better to go some distance down the road of improvement than not to go at all.

I begin by considering a number of questions that Members may have concerning the proposed legislation:

I. WHAT WILL BE THE EFFECT OF THE PROPOSED QUOTA INCREASE ON OUR BALANCE OF PAYMENTS?

The increase will have no direct effect on the balance of payments at all. Our proposed quota increase is $1,035 million, of which one quarter, or $258.75 million, will be paid in gold. The rest is to be paid in dollars through the device of a letter of credit. The gold payment does not increase our balance-of-payments deficit, because it is exactly offset by an increase in our automatic drawing rights at the Fund. It is as if we were depositing cash at the bank and receiving in return the right to draw on that cash when we choose to. The payment of dollars to the Fund through a letter of credit also will not increase our balance-of-payments deficit, because expenditures under the letter of credit are not expected within the foreseeable future.

So increasing our quota will have no direct adverse effect on our balance of payments. On the contrary, it is quite likely that increasing the Fund's quotas will help us indirectly to reduce our balance-of-payments deficit. In the past, an important component of our deficits has been the outflow of speculative short-term capital, motivated by the fear that we might be forced into a devaluation. Increasing the Fund's quotas will enlarge the resources available to all members, including the United States, to defend the value of their currencies. This will discourage speculation and reduce the drain on our balance of payments from short-term capital movements.

II. WHAT WILL BE THE EFFECT OF THE PROPOSED QUOTA INCREASES ON OUR GOLD RESERVES?

Under the Fund's rules, we are required to pay in gold $258.75 million, one-quarter of our total quota increase. Our gold reserves will go down by this amount, but when we pay this gold to the Fund our automatic drawing rights increase by the amount of the payment. We count these automatic rights as part of our international reserves, so paying the necessary gold to the Fund leaves the total of our reserves unchanged.

However, there is likely to be a small reduction in our reserves not compensated for by an increase in automatic drawing rights. This possibility arises because some of the other countries, in paying their increased quotas into the Fund, will want to use gold bought from us rather than gold drawn from their own stocks. The Fund has anticipated this, and it has proposed two techniques to minimize the reduction of our reserves. The essence of these techniques is that the Fund proposes to lend $150 million in gold to member countries who are unwilling or unable to draw down their own gold holdings; and to minimize the drain on the gold reserves of the United States and the United Kingdom, the two reserve currency countries, the Fund proposes to deposit $350 million with these countries in such a way that the $350 million can be counted as reserves at the same time by the Fund and by the countries concerned. Former Secretary of the Treasury Dillon stated that without these techniques "the United States might have lost as much as $800 to $1,100 million in gold from the proposed quota increases. Instead, these provisions are expected to hold our net loss of gold from sales to other nations for IMF payments to something in the range of $25 to $45 million."

To sum up the effects on our gold reserves, payment of one-quarter of our quota increase in gold will cost our gold reserves $258.75 million, but this will be offset by an increase of like amount in our automatic drawing rights. Our total reserves, therefore, will not be reduced when we pay our own quota increase into the Fund. But other countries will buy gold from us to meet their own obligations to pay gold into the Fund, and this is expected to drain our gold reserves by $25 to $45 million after special offsetting techniques are carried through by the Fund.

But this net loss of $25 to $45 million, a very modest amount, must be compared with the amount we would probably have lost if Fund quotas were not increased. I have already pointed out that enlarging the Fund's resources through the proposed quota increases will reduce speculation against the dollar by enhancing confidence that existing exchange rates will be maintained. As a result, our balance of payments will probably be improved each year by more than the $25 to $45 million of gold under discussion, and we will be able to keep gold in our reserves which we would otherwise have lost. In effect, the $25 to $45 million of net gold loss can be regarded as an investment which, over the years, will save us many times that amount in gold.

III. WHAT WILL BE THE IMPACT OF THE QUOTA INCREASE ON THE FEDERAL BUDGET?

Of the $1,035 million quota increase proposed for the United States, only the gold portion, $258.75 million, will be a budget expenditure within the foreseeable future. The remaining portion of our quota increase, $776.25 million, will be paid in the form of a letter of credit. Only if and when the Fund draws on the letter of credit will we incur a budget expenditure. The Fund now holds about $3,350 million of our currency and it will use all of that before drawing on the new letter of credit. Moreover, the Fund has sharply curtailed its use of dollars while we have a balance-of-payment deficit. These considerations led former Secretary Dillon to conclude that "expenditures against this $776 million portion are not likely to occur in the foreseeable future."

The administration has already made provision for paying $258.75 million in gold in the budget for fiscal 1965.

IV. WHY IS A QUOTA INCREASE ADVANTAGEOUS TO THE UNITED STATES?

In a nutshell, our total borrowing rights will increase by more than the full amount of our quota increase, while we are only required to pay a quarter of this increase in gold; the rest is in dollars. In effect, for every dollar of gold we pay in, we increase our borrowing rights at the Fund by $5. One of those $5 represents an increase in our automatic borrowing rights, which offsets the reduction in our gold stock and prevents the transaction from reducing our reserves. This 5-for-1 exchange is a good deal for the United States. At the same time, the quota increases of other countries will result in larger holdings by the Fund of the convertible currencies that we might wish to borrow at some future time.

V. WHAT DOES THE UNITED STATES GET OUT OF BEING A MEMBER OF THE FUND?

The advantages to us have been and are substantial:

First. The Fund has been a major force in maintaining a stable and liberal climate for international transactions involving goods, services, and capital. It has helped to reduce or eliminate bilateralism and barter in trade; it has succeeded in sharply curtailing multiple exchange rate practices which were particularly detrimental to American exporters; it has brought about a sharp reduction in the use by other countries of foreign exchange restrictions; it has aided in doing away with the competitive depreciation of exchange rates; it has made its resources available to promote exchange stability and thus to reduce uncertainties that discourage international commerce and finance; and it has

provided valuable technical advice to countries which might have been reluctant to accept such advice if it came from another country rather than a multilateral institution highly regarded for its impartiality and technical competence.

We have only to think of the chaos of the interwar years—the exchange restrictions, competitive devaluations, barter deals, quantitative restrictions, and other "beggar thy neighbor" trade policies—to realize what a long way we have come since then. This progress is in large part attributable to the existence of the IMF.

Second. The Fund has helped us to finance our balance-of-payments deficits. In the years before our own balance-of-payment problem became serious, the Fund relied largely on its dollar holdings in providing credit to other countries. As a result, the United States built up a strong creditor position with the Fund. Then, when our deficit became troublesome and other countries earned more dollars than they cared to hold, the Fund was able to absorb more than $1 billion through repayments by the countries which had borrowed in earlier years. Thus, the Fund financed more than $1 billion of our balance-of-payments deficit and reduced the drain on our gold reserves.

Third. The Fund's investments in the United States have increased our gold reserves by $800 million. In 1956, 1958 and 1960, the Fund sold us a combined total of $800 million of gold in return for income-earning U.S. Treasury bills and short-term notes.

Fourth. The Fund has enabled us to reduce our gold losses. The United States began to make modest drawings on the Fund in 1963 to prevent gold losses when other members wished to repurchase their currencies from the Fund. In that year, the Fund's holdings of dollars reached such a high level that it could not accept additional dollars through repayments by other countries. Countries obliged to make repayments to the Fund would normally have sold dollars to us for gold and then used the gold to repay the Fund. To avoid this drain on our gold reserves, we drew currencies from the Fund which the Fund could accept in repayment, and then sold these currencies to countries holding dollars which they wished to use in repayment. In this complicated manner, we converted what would have been a loss of our gold into an obligation to repurchase dollars from the Fund within a period of 3 to 5 years.

VI. WHY ARE QUOTA INCREASES NECESSARY AT THIS TIME?

There are two main reasons:

First. The Fund's usable resources have been depleted, in the face of growing demands on the Fund by the United States and other large countries.

To promote international monetary stability, the Fund discourages drawings in the currencies of countries with balance-of-payments deficits. If the Fund were to lend out large amounts of dollars while we are in balance-of-payment deficit, most of these dollars would ultimately accrue to the surplus countries who would use them in part to buy our gold. To prevent this, the Fund has limited the availability of dollars and increasingly provided the currencies of Western European countries with balance-of-payments surpluses. As a consequence, the Fund's holdings of the major convertible currencies, other than dollars and pounds sterling, declined by more than $1 billion since 1959 and reached the relatively low level of $1.8 billion at the end of 1964.

During this same period, the larger countries, including the United Kingdom, Italy, Canada, and the United States, have made increasing use of the Fund. I have already referred to U.S. drawings on the Fund to reduce gold losses.

The proposed increases in Fund quotas would add about $1 billion to the Fund's holdings of the currencies now being used in drawings and another $1 billion to its holding of gold. These currencies will substantially strengthen the Fund's capacity to meet the demands made on it. With U.S. borrowing rights increased through our larger quota, this will be of particular benefit to us should we wish to draw larger amounts from the Fund.

Second. The Fund's quotas should be increased to keep pace with the growth of the international economy. As international transactions increase, so does the likelihood of sizable fluctuations in international payments. World trade has grown more than 50 percent since 1959 when Fund quotas were last increased. Capital flows have also increased substantially since that time. The Fund should be equipped with larger resources, and members should have larger drawing rights, to deal with the increased medium-term imbalances which are normally associated with an expansion in the world economy of this magnitude.

VII. QUOTA INCREASES SHOULD BE LARGER

The case for the legislation before us is overwhelmingly in favor of enactment. The major criticism that can be directed against it is that it does not go far enough. In the years to come, the Fund's importance as a supplier of international credit will necessarily grow. But the proposed quota increases do not sufficiently equip it for the future. Since 1958, roughly half of the increase in international liquidity was caused by U.S. balance-of-payments deficits, which contributed dollars to the reserves of other countries. We are now determined to bring these deficits to a halt. But this means that alternative methods must be devised to fill the liquidity gap which would otherwise arise when the outflow of dollars ceases.

The proposed Fund quota increases will not adequately contribute to filling this gap. The total of the proposed increases is only about $5 billion, the same as the last general quota increase in 1959. This just barely enables the Fund to maintain its relative position in the expanded international economy. But this role should be increased, not simply maintained, in view of the declining contribution which dollars can be expected to make to international liquidity.

Moreover, larger quota increases would have been desirable to add bigger amounts to the Fund's holdings of the currencies now used in drawings. I said earlier that these holdings had declined by more than $1 billion since 1959. The proposed quota increases would restore these holdings to the 1959 level. But I do not think that we should be satisfied to be back where we were 6 years ago. We would be better off with larger quotas that increased the Fund's holdings of these currencies more substantially.

VIII. THE CONTINENTAL EUROPEAN COUNTRIES SHOULD CONTRIBUTE MORE TO INTERNATIONAL LIQUIDITY

While a general quota increase of 25 percent is proposed for all Fund members, additional, special quota increases have been recommended for 16 countries whose economic positions have improved more than the average since quotas were last increased in 1959. France is conspicuously absent from this list of 16, despite the very substantial gains in her financial capacities. It does not seem equitable that France and the United States should both have the same percentage quota increases when French reserves have increased more than tenfold since 1948 while our own reserves declined by 35 percent during the same period. The French Executive Director of the Fund even voted against the 25-percent general increase in quotas, because France disapproved of the special techniques to minimize the gold losses of the United States and the United Kingdom. And France, since the beginning of this year alone, has reduced international reserves by $300 million through her conversion of dollars into gold. With friends like France, who needs enemies?

The Netherlands and Belgium should also have accepted special quota increases. Both are limiting their contributions to the 25-percent general increase, yet the reserves of the Netherlands have increased sevenfold since 1948 and those of Belgium, which were already relatively high in 1948, have more than doubled. More could have been expected of both of these countries.

A number of countries for which special quota increases have been proposed should do even more. The case of Germany is especially striking. Germany's international reserves are today nearly $8 billion, second only to our own, and 27 times higher than in 1948. Germany could readily accept a larger special increase than is being recommended for her.

The countries I have named are not the only ones whose contributions could more realistically be tailored to their improved positions. Others, too, should accept special quota increases and some of those who are already doing so should contribute more than is now scheduled.

The report of the Committee on Banking and Currency on the bill before us stated in this connection:

> Had the United States, in the years immediately following the Second World War, adopted the same niggardly posture now assumed by several of the countries to whom it then contributed so generously, the much-heralded economic miracle of Europe would have remained a mere dream instead of becoming a reality.

IX. WE NEED A NEW STANDARD TO JUDGE THE ADEQUACY OF QUOTAS

Until recently, a formula negotiated at the 1944 Bretton Woods Conference was the basic statistical yardstick for determining quotas for new members. But reliance on this formula has diminished, and no substitute for it appears to have been developed. I would like to insert at this point in the RECORD a table submitted by the Treasury showing present quotas, quotas as increased under the first and second resolution, and quotas calculated according to the Bretton Woods formula:

Present quotas, quotas as increased under the 1st and the 2d resolution, and quotas calculated according to the Bretton Woods formula

[In millions of U.S. dollars]

Country	Present quota [1]	Quota as increased under		Bretton Woods formula calculations	
		Resolution I [2]	Resolution II	50 percent	100 percent
	(1)	(2)	(3)	(4)	(5)
The Ten:					
United States	4,125.00	5,160		6,368.4	12,736.8
United Kingdom	1,950.00	2,440		1,585.0	3,170.0
France	787.50	985		1,137.7	2,275.4
Germany, Federal Republic of	787.50	985	1,200	1,635.8	3,271.6
Canada	550.00	690	740	853.0	1,706.0
Italy	500.00	625		728.0	1,456.0
Japan	500.00	625	725	800.5	1,601.0
Netherlands	412.50	520		538.8	1,077.6
Belgium	337.50	422		518.8	1,037.6
Luxembourg	15.00	19			
Sweden	150.00	188	225	366.2	732.4
Total	10,115.00	12,659		14,532.1	29,064.2
$60,000,000 or more, excluding the Ten:					
India	600.00	750		480.3	960.6
China	550.00	690		[3]	[3]
Australia	400.00	500		371.0	742.0
Argentina	280.00	350		222.0	444.0
Brazil	280.00	350		263.1	526.2
Mexico	180.00	225	270	218.2	436.4
Indonesia	165.00	207		142.0	284.0
Pakistan	150.00	188		117.3	234.6
South Africa	150.00	188	200	211.1	422.2
Spain	150.00	188	250	208.9	417.8
Venezuela	150.00	188	250	207.7	415.4
Denmark	130.00	163		195.8	391.6
New Zealand	125.00	157		105.1	212.2
United Arab Republic	120.00	150		99.7	199.4
Yugoslavia	120.00	150		109.3	218.6
Chile	100.00	125		91.6	183.2
Colombia	100.00	125		79.0	158.0
Malaysia	100.00	125		149.0	298.0
Norway	100.00	125	150	160.5	321.0
Turkey	86.00	108		100.1	200.2
Thailand	76.00	95		79.7	159.4
Austria	75.00	94	175	191.0	382.0
Philippines	75.00	94	110	83.5	167.0
Saudi Arabia	72.00	90		54.3	108.6
Iran	70.00	88	125	90.1	180.2
Ceylon	62.00	78		50.8	101.6
Algeria	60.00	75		125.2	250.4
Greece	60.00	75	100	79.6	159.2
Portugal	60.00	75		84.4	168.8
Total	4,646.00	5,816		[3] 4,371.3	[3] 8,742.6
$30,000,000 to $59,000,000:					
Finland	57.00	72	125	142.2	284.4
Ghana	55.00	69		49.8	99.6
Iraq	55.00	69		52.5	105.0
Morocco	52.50	66		53.7	107.4
Israel	50.00	63	90	61.6	123.2
Kuwait	50.00	63		57.6	115.2
Nigeria	50.00	63		79.3	158.6
Senegal	25.00	32		26.8	53.6
Mali	13.00	17			
Mauritania	7.50	10			
Congo, Democratic Republic of	45.00	57		46.1	92.2
Ireland	45.00	57	80	79.9	159.8
$30,000,000 to $59,000,000—Con.					
Sudan	45.00	57		36.0	72.0
Peru	37.50	47		59.3	118.6
Burma	30.00	38		36.0	72.0
Syrian Arab Republic	30.00	38		25.9	51.8
Uruguay	30.00	38		38.1	76.2
Total	677.50	856		844.9	1,689.8
$15,000,000 to $29,000,000:					
Dominican Republic	25.00	32		19.6	39.2
Kenya	25.00	32		21.6	43.2
Tanzania	25.00	32		18.7	37.4
Uganda	25.00	32		14.9	29.8
Afghanistan	22.50	29		18.1	36.2
Bolivia	22.50	29		11.2	22.4
Burundi	11.25	15		6.7	13.4
Rwanda	11.25	15			
Tunisia	22.50	29		23.9	47.8
Vietnam	22.50	29		33.2	66.4
Costa Rica	20.00	25		13.6	27.2
Ecuador	20.00	25		18.4	36.8
El Salvador	20.00	25		16.0	32.0
Guatemala	20.00	25		21.0	42.0
Jamaica	20.00	25		25.8	51.6
Trinidad and Tobago	20.00	25		36.6	73.2
Korea	18.75	24		42.3	84.6
Cameroon	15.00	19		16.7	33.4
Ethiopia	15.00	19		17.2	34.4
Guinea	15.00	19		8.7	17.4
Honduras	15.00	19		11.1	22.2
Ivory Coast	15.00	19		20.1	40.2
Libya	15.00	19		16.7	33.4
Malagasy Republic	15.00	19		15.7	31.4
Total	456.25	581		447.9	895.8
Up to $15,000,000:					
Cyprus	11.25	15		13.1	26.2
Haiti	11.25	15		7.1	14.2
Iceland	11.25	15		10.7	21.4
Jordan	11.25	15		11.2	22.4
Liberia	11.25	15		11.0	22.0
Nicaragua	11.25	15		11.0	22.0
Panama	11.25	15		13.4	26.8
Paraguay	11.25	15		5.2	10.4
Sierra Leone	11.25	15		10.2	20.4
Somalia	11.25	15		4.1	8.2
Togo	11.25	15		3.4	6.8
Central African Republic	7.50	10		3.2	6.4
Chad	7.50	10		4.6	9.2
Congo (Brazzaville)	7.50	10		5.8	11.6
Dahomey	7.50	10		3.5	7.0
Gabon	7.50	10		5.3	10.6
Laos	7.50	10		2.6	5.2
Nepal	7.50	10		8.6	17.2
Niger	7.50	10		3.8	7.6
Upper Volta	7.50	10		3.1	6.2
Lebanon	6.75	9		28.7	57.4
Total	198.00	264		169.5	339.0
Grand total	16,092.75	20,176	[4] 21,046	[3] 20,365.7	[3] 40,731.4

[1] Quotas in effect on Feb. 26, 1965, or the maximum quotas to which members could consent under resolutions adopted by or submitted to the Board of Governors before that date.

[2] Present quotas increased by 25 percent and rounded according to the following formula: amounts below $500,000,000 rounded to the next higher multiple of $1,000,000; amounts of $500,000,000 or more rounded to the next higher multiple of $5,000,000.

[3] No calculations were made for China, because the available data for that country are incomplete.

[4] Total of quotas as increased under both resolutions; i.e., total of col. (2) plus excess of quotas in col. (3) over the corresponding quotas in col. (2).

If we apply this formula and adjust its results proportionately to the total quotas which follow from the current proposals, we get a striking impression of the extent to which some of the leading financial countries are falling short of meeting their responsibilities. On this proportional basis, the quotas of most of the group of 10, including the United States, will after the proposed increases be in the range of 78 to 96 percent of the amounts called for by the adjusted formula. But the average quota for the other 91 members of the Fund will be about 132 percent of the comparable statistical calculation. If the quotas of all the group of 10 countries were, as a minimum, raised to a point comparable to those of the other 91 countries, these 10 major industrial countries would require aggregate quota increases of some $5.6 billion beyond the increases now proposed, of which about half, close to $3 billion, would be by countries other than the United States and the United Kingdom. This figure of nearly $3 billion gives some indication of what the group of 10 countries, other than the United States and United Kingdom, might have fairly contributed according to the yardstick applied on earlier occasions, in addition to what is actually proposed for them. Obviously, such a contribution, if made, would greatly strengthen the Fund's resources.

I think that we badly need to arrive at a new yardstick or standard of equity, so that we can measure whether or not countries are doing their fair share and,

if they are not, by how much they are falling short. Of course, we can never operate with a mechanical formula as our only guide. But such a formula is a very useful starting point. I should think that a new formula would give greater weight to the size of countries' reserves than did the Bretton Woods formula, since the correction of international imbalances through exchange rate adjustments has not occurred to the extent contemplated when the Fund was established. The result has been that adjustment to imbalances has taken longer and the size of reserves available to finance such imbalances has assumed greater importance.

X. THE UNITED STATES SHOULD REESTABLISH ITS POSITION OF LEADERSHIP IN INTERNATIONAL MONETARY MATTERS

I believe that there has been too much of a tendency in general, and in this round of quota increases in particular, to paper over disagreements and to water down agreements to the lowest common denominator of what everybody will agree to. It seems to me that we have carried the quest for universal or near-universal agreements too far.

I asked former Secretary Dillon, when he testified on the proposed legislation, whether he had any reason to believe that any member countries of the IMF will not agree to accept their proposed quota increases. He replied, "I don't have any real reason to believe that. There may be some of the smaller countries." If all, or nearly all, of the Fund's 102 member countries will go along with the increases now proposed for them, then I think that we might very well have done better to argue boldly for larger quota increases, even at the risk of having a number of countries disagree and not participate. The total contributions of countries going along with us might then have increased the Fund's resources substantially above the level that will result from the currently proposed increases, despite the nonparticipation of certain members.

We should not take unreasonable positions and isolate ourselves. But I think that we could often improve the situation by taking a good, strong position and sticking to it. If certain countries do not want to go along, then let them go on record for all to see. As it is, the uncooperative countries have not been exposed at these negotiations. Their people have not been made aware that their leaders are shirking their responsibilities. I think that it might be a healthy thing if the issues and the disagreements were more widely known by all the people. This might stimulate the consciences of the representatives of uncooperative countries and lead to faster progress. There is a great deal to be said for a collective conscience approach.

The report of the Committee on Banking and Currency on H.R. 6497 contains a useful discussion on the need to build now for the future growth and stability of the international monetary system, and the need to improve the process of adjustment to international imbalances. I ask unanimous consent to have these sections of the report printed in the RECORD at this point of my remarks:

THE NEED TO BUILD NOW FOR THE FUTURE GROWTH AND STABILITY OF THE INTERNATIONAL MONETARY SYSTEM

Quota increases alone could, in principle, meet any foreseeable demands for liquidity, provided they were large enough. But in practice, it is not realistic to rely exclusively on quota increases for meeting liquidity needs. The enlargement of present quotas by some $5 billion and the replenishment of the convertible currencies most used in the Fund's lending operations go some distance toward meeting present needs. However, as the United States eliminates its balance-of-payments deficit and shuts off the flow of dollars into the reserves of other countries, the world may quickly feel the pinch of a liquidity shortage.

The committee, therefore, urges the administration, in consultation with our free world partners, to develop an effective program for generating nternational reserves and credit to fill the gap between legitimate world needs and the supply made available through new gold production, gold dishoarding, the proposed enlargement of Fund resources, and such modest increases in foreign holdings of the reserve currencies as may still seem desirable. Such a program may take many forms. It may have many elements. But taken as a whole it must accommodate these multiple and, in some cases, competing objectives:

1. It must be multilateral, rather than bilateral, in structure.

2. It must be adequate in scope—permitting an orderly expansion in world trade and finance without imparting undesirable inflationary or deflationary pressures.

3. It must be flexible in application, so that the conditions and the maturities of credits are governed by the nature of the international payments disequilibrium. It must make credit available to meet legitimate needs as they arise without subjecting deficit countries to unreasonable conditions or making the availability of credit so uncertain as to bring about the measures destructive of national or international prosperity that the credits should be designed to prevent.

4. It must promote equilibrium in international payments, by maintaining incentives both for deficit and surplus countries to work toward the timely elimination of imbalances.

5. It must strike an equitable balance between the benefits and burdens, and the rights and obligations of participating countries. It must rest more fully than does the present system on the credit of a large number of countries.

In considering further ways and means to strengthen the international monetary system, attention is properly focused first on evolutionary plans—on techniques that build on exitsing structures of proven value—before the decision is made to strike out into promising but as yet uncharted waters.

Study should therefore be devoted to developing more fully the potentials of the International Monetary Fund. This should not, however, preclude the consideration of alternatives which do not involve the Fund. The Fund has proved to be a flexible, useful instrument, and its operations have benefited the United States as well as other countries. In the words of Secretary Dillon:

"The Fund has used its powers of persuasion, the provision of sound technical advice, and the availability of medium-term assistance to secure the adoption of appropriate economic policies in many countries. It has to a great extent succeeded in eliminating bilateralism in trade and exchange agreements. It has brought about a sharp reduction in multiple exchange rate practices which were particularly disadvantageous to American exporters who found themselves discriminated against. It has used its resources effectively to give temporary relief to countries whose exchanges were under pressure. This has provided a breathing spell during which the countries concerned could develop measures to restore equilibrium in ways which would have minimum adverse repercussions on other countries. The relative stability of exchange rates which the Fund has fostered has encouraged the expansion of international trade and the international movement of productive capital."

The Fund, in its 1964 annual report, itself suggested several ways in which it could increase the dimensions and the stability of the international monetary system. The report raised the possibility of extending to larger amounts the rights of members to draw virtually automatically from the Fund; it spoke of paying the gold portion of quota increases with gold certificates instead of gold; and it mentioned Fund investments in member countries as a method for increasing their reserves.

Other techniques also worthy of serious consideration could readily be added to the list of possibilities. The Fund could be authorized, with appropriate safeguards, to accept deposits by member countries of currencies they accumulated in the process of exchange support operations; in return, the depositing countries might acquire drawing rights on the Fund. Thus, countries might be permitted to deposit holdings of dollars or sterling in excess of their needs, while the United States and the United Kingdom, by agreement with the Fund, could retire these balances over a suitably extended period of time. In this manner, by funding some of the liquid liabilities of the two key currency countries, the stability of the international monetary system could be strengthened. The Fund could be authorized, under proper controls, to create limited amounts of international liquidity, either by extending overdraft facilities to members—along the lines proposed at Bretton Woods by Lord Keynes—or by buying assets in member countries in return for deposits at the Fund. Alternatively, the Fund could administer the creation and the distribution of a new currency reserve unit along the lines suggested by Dr. Edward M. Bernstein, the Fund's former research director. Such a development would have to be carefully controlled to assure that any new currency unit would be used effectively to expand world liquidity and not, as some European countries would reportedly have it, to embarrass the United States and shrink international reserves.

The Fund's capacity for generating usable assets could be enhanced. It could, by agreement with member countries, sell to them its own interest-bearing obligations for their currencies. Arrangements might be made to redeem such securities, in advance of maturity in cases of need, in deposits or drawing rights at the Fund. Of more immediate relevance, weighted voting among the Group of Ten is now required before the Fund can draw on its general arrangements to borrow. Moreover, these arrangements are not permanent, but must be renewed from time to time. The international monetary system would be strengthened if the arrangements were permanent and the Fund's right to borrow were unconditional to the extent of the group's total commitment.

The committee can make no exhaustive list of possible improvements in the international monetary system. It does not necessarily endorse any of the alternatives mentioned. It cannot, in this report, pass on the relative merits and practicability of this or that plan. No doubt, objections can be

raised against any proposal for improvement. But the committee cannot believe that the difficulties are so great and the objections so weighty that no substantial progress can be made, and that the world must be expected to make do with the modest quota increases now proposed.

Necessity is said to be the mother of invention. The need for a major breakthrough in improving the international monetary system is apparent to the committee. Perhaps, as the U.S. balance of payments is restored to equilibrium—and possibly moved into surplus—this necessity may become apparent even to those European countries who now complain that their liquidity is excessive. One wonders whether they would be willing to lose any appreciable part of their reserves without taking policy measures to halt such losses. The administration should prepare now for the day when sound proposals may be negotiated in an improved and more receptive climate. It should now, by careful analysis of alternatives and forward planning, pave the way for the needs of the near-term future.

THE NEED TO IMPROVE THE PROCESS OF ADJUSTMENT TO INTERNATIONAL IMBALANCES

The need for liquidity depends on the speed with which imbalances in international payments are eliminated. For liquidity serves the essential function of financing such imbalances while they exist.

In the postwar years, countries have been slow to permit adjustments that would promote international payments equilibrium, and they have often pursued policies which have intensified, rather than reduced, imbalances. They may not welcome changes in domestic costs and prices, and in levels of income and employment, as a result of market forces originating abroad. But no country can take part in international commerce and finance without experiencing such forces. And each country has a responsibility to pursue policies that restore or maintain international payments equilibrium.

Exchange rate adjustments in cases of fundamental disequilibrium were contemplated by the Fund's Articles of Agreement as a basic means of eliminating protracted international imbalances. However, these adjustments have fallen into disuse and the United States in particular, has explicitly ruled out any change in the international value of the dollar.

Progress in improving the international adjustment mechanism is a necessary part of any program to improve the functioning and resources of the international monetary system. The committee notes with satisfaction that this has been recognized by the countries comprising the Group of Ten, and that these countries have asked Working Party 3 of the Organization for Economic Cooperation and Development to explore all aspects of the problem, including the mutual responsibilities of the surplus and the deficit countries.

In the considered judgment of this committee, just as the surplus countries have fallen short in meeting their responsibilities for enlarging the credit facilities of the international monetary system, so they have fallen short in meeting their responsibilities in the adjustment process. These countries have counseled the United States to promote economic growth with restrictive monetary and expansionary fiscal policies. They themselves, however, refuse to follow the logic of their advice to us. In their case, this would imply curbing rising prices with restrictive fiscal policies while maintaining conditions of monetary ease. But they have done just the opposite. In several instances, taxes have been or are to be cut, while interest rates have been raised. Many of the surplus countries restrict capital outflows, with the result that demands for funds have been diverted to the United States. Some of these countries still maintain quantitative restrictions on imports which date back to their early postwar difficulties and have long lost any justification. A number of the surplus countries still require tourists to justify requests for foreign exchange in excess of modest automatically granted amount. Many of the surplus countries have inadequate programs of economic assistance to the less developed countries, and, though they lack any balance-of-payments justification, nearly all tie their aid to domestic purchases. The surplus countries have been content to allow the United States to pay a disproportionately high share of the costs of the military defense of the free world. With the exception of Germany and, in part, Italy, they have not even been willing to offset with purchases in the United States the adverse balance-of-payments consequences for the United States of defending them by maintaining expensive military installations and personnel in their countries.

To be sure, the record of the surplus countries is not all black. Secretary Dillon stated before the committee: "* * * I am happy to note that the Federal Republic of Germany has taken a number of specific actions to discourage disequilibrating capital inflows. These measures appear to be essentially eliminating what was a disturbing surplus and thus contributing to a better international payments equilibrium."

But such examples are still the exception rather than the rule. The United States should use all appropriate means to impress on the surplus countries their responsibilities in the international adjustment process. These countries should bear in mind that someday—and the time is not far distant—the United States will have eliminated its international payments imbalance, and they themselves may have to cope with their own balance-of-payments deficits.

A witness before the committee proposed that adjustment to international imbalances would be promoted if the limits of permissible exchange rate variation were broadened from the present plus or minus 1 percent of parity to plus or minus 2 or 3 percent of parity. This idea appears to be worthy of consideration and further study by the administration. It raises the possibility that, within the framework of the present structure of exchange rates and without unduly increasing the risks of international transactions, monetary policy would better be able to serve domestic needs, speculative capital movements would be discouraged, and imports and exports would be affected in such a way as to reduce international payments imbalances.

XI. CONCLUSION

I have spoken at some length about the advantages of the proposed quota increase from the point of view of our country. I have dwelled on its effects on the balance of payments, our gold reserves, and the Federal budget. I have spelled out the advantages that accrue to us and to other countries from Fund membership. I have explained the need for quota increases.

My concern is not that quotas are being increased, but that they are not being increased enough. I think that the international monetary system needs to be strengthened more fundamentally than can be done through the proposed quota increases. We must prevent the growth of the international economy from being trimmed back to fit a Procrustean bed of inadequate world liquidity. I hope that the administration will vigorously work toward the needed basic improvement. I hope that other countries will take a more realistic view of their responsibilities. Meanwhile, the legislation before us is a step in the right direction, and I urge all Members to support it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Iowa.

Mr. GROSS. Is this one of the international lending agencies or international financing agencies which provide tax-free salaries to employees? In other words, the Americans involved in this thing pay no Federal income taxes, or their taxes are paid out of agency funds.

Mr. REUSS. This is one of the international lending and financial agencies whose international civil service employees do enjoy a very favorable tax situation, which has made it possible to build up a very high caliber international staff of the International Monetary Fund and the International Bank.

Mr. GROSS. And this is another one of the international agencies which has a retirement system that is out of this world, whereby the bank or the agency finances the retirement?

Mr. REUSS. They have a generous retirement system; not quite as satisfactory as ours in the Congress, but quite good.

Mr. GROSS. If they are the same deal as some of the other international financing agencies, they have a far better retirement system than do Members of Congress.

Mr. REUSS. I have studied the two, and I have determined to attempt to stay in Congress. I really believe ours is better.

Mr. GROSS. Of course, there may be other considerations which make staying in Congress better for the gentleman.

Mr. REUSS. The point is that these international agencies have been able to develop the very high type of personnel needed, and one of the reasons why they have been able to do it is by having an admittedly fair and generous retirement system.

Mr. GROSS. But they do take money from this Fund to pay for retirement, and they do take money from this Fund to give the tax exemption, do they not?

Mr. REUSS. That is not so. The Fund's contribution to the retirement system is made from the profits from the Fund, which are derived from interest charges which they make.

Mr. GROSS. What profits are there, if we are being called upon again today to put up another billion dollars? In 1959 we were told that was the end of the road, that there would be no increase on the part of this country in the capital structure of this organization. That was the impression I got from the debate in 1959.

What has happened to this Fund? I am not satisfied that I have had a good answer as to what has happened, which requires an additional contribution on the part of the United States.

Mr. REUSS. Nothing has happened to the Fund. Something has happened to the world, however, and that happening has been a happy one; namely, the

trade of the free world has gone up more than 50 percent since 1959. The wheels of trade need the lubrication which only additional Fund quotas can provide.

Let me say, in reference to the 1959 debate, I do not recall any such commitment having been made, but lest there be any doubt about the 1965 debate, I believe, as the free world expands its trade and investment, the Fund will also need to expand, and I will unblushingly at that time come back and ask that the United States go along with the other free world trading partners in furnishing that lubricant to the trade mechanism.

Mr. COLLIER. I thank the gentleman. On page 3 of the report the final sentence says:

> The total quotas of all countries will be increased to $21 billion, if all members agree to their proposed increases.

Can you tell me what the experience has been in the past with regard to the meeting of these subscription obligations by the other nations?

Mr. REUSS. Yes. There has been a remarkable agreement on the subscription obligations. In this connection let me note to the gentleman that following the printing of this report on April 1 word was received that all of the major countries have, subject to their domestic parliamentary procedures, agreed to these additional subscriptions. Indeed, in honesty, I would say I would have preferred to have fixed our target a little bit higher and asked for higher subscriptions from some of these countries such as the continental countries, even at the risk that they would not agree, but the general togetherness which prevails in IMF made them set their sights a little lower, and as a result there will probably be a unanimous agreement.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. PATMAN. I yield the gentleman 2 additional minutes.

Mr. COLLIER. If the gentleman will yield further, might I ask the gentleman what has been the experience with regard to default in the past? How many nations are in default at the present time in their subscriptions as of today, let us say, without this implementing legislation?

Mr. REUSS. According to my information, there are no defaults whatever. Subscriptions as called have been met 100 percent.

Mr. COLLIER. May I ask the gentleman, when we talk about defaults, are we talking about defaults in agreeing to subscribe under a quota, or are we talking about defaults as it applies to nonpayment into the Fund of the obligatory subscriptions?

Mr. REUSS. We are talking about the latter. It is my information that these payments—and this is the gentleman's meaningful question, obviously—have been fully met. Indeed, if anybody would fail to meet their obligation, they would then be denied their equivalent drawing rights, but this has not to my knowledge happened.

Mr. COLLIER. Then, the addition of the last phrase which reads, "if all members agree to their proposed increases," is merely added because, as I understand the gentleman, for the RECORD, in the past all of the participating nations have not defaulted and are in fact up to date in their subscription obligations. Is that correct?

Mr. REUSS. That is entirely correct. The only reason for that sentence is because some countries, including notably the United States, do quite properly require congressional approval before the increase can be acceded to, which is what we are absorbed with this afternoon.

Mr. COLLIER. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, I yield the gentleman from New York [Mr. FINO] 5 minutes.

Mr. FINO. Mr. Chairman, I am supporting this bill to increase the International Monetary Fund quota of the United States because, over the years, it has proven itself as an instrument of international financial stability. The added Fund resources which we and other nations are required to contribute under this bill will support an international money system based primarily on the U.S. dollar and the British pound. It would appear that the overall increase will favor the United States.

Because the International Monetary Fund—in addition to helping small currencies—ultimately acts as a bulwark of the leading international currencies, presently the American dollar and the English pound, the Fund is not too popular with France. I can think of no greater recommendation for this quota increase than the opposition of the French. Gold-grabbing France shuns meaningful international financial cooperation like the plague. They doubly dislike this measure because we have achieved an increase in the Fund's resources without any serious inroads into our gold stock—thanks to the arrangement which has been worked out whereby the gold to be drawn by foreign governments in connection with their quota increases will stay in the United States.

France wants two things—they want to bleed us of gold, and then they want to put the international financial spotlight on gold, so as to profit from their ingratitude. The increase in the Fund quota before us today, together with the attendant gold preservation scheme, can be giving no joy to the French, but it is a meaningful day for international monetary cooperation.

I do not, however, want to appear to say that the Fund increase solves our international monetary situation. We need some new directions in international cooperation. I would like to see an international reserve structure where something other than dollars are stockpiled around the world. Then we would not have to worry about dollar stockpiles to be used to bleed our gold. I hope that new directions in international money cooperation will be seriously looked into by an international conference, as proposed.

Lastly, I hope that we do not come to believe that the Fund increase removes the need to watch our balance of payments. Our balance-of-payments situation now seems to be improving, but I am somewhat doubtful about the methods being used. In cutting back on oversea investment, we may be overrestricting private enterprise. We are also pursuing policies liable to stir up economic nationalism abroad, which nationalism might cut back our trade and stop repatriation of profits earned by oversea dollars. I would like to once more reiterate my own feeling that more of our balance-of-payments efforts should be concentrated on increasing tourism and trade and cutting back excess foreign aid.

I do not think we will suffer on the international scene because of selected foreign aid cutbacks—for example, aid to India, a nation of proven ingrates who scream for foreign aid while they are sitting on more than a billion dollars worth of blocked counterpart funds. Only the United States is so foolish as to give away large amounts of money to the world's credit-risk nations. We can even sometimes learn from our enemies. The Russians are not bamboozled by outstretched hands or whining ivory tower voices. The billions they spent to build up China were loans, not grants. I feel that foreign aid and foreign investment must share the burden of bettering our balance of payments. I do not think that private enterprise should bear the burden on behalf of aid to India and similar programs.

I would like to say again, in closing, that I support the Fund quota increase. It does not relieve us of the need to pursue a sound course of correcting our balance-of-payment difficulties, and it does not relieve us of the need to seek new directions in international monetary cooperation, but it is a sound move. I urge the passage of this bill.

Mr. WIDNALL. Mr. Chairman, I yield 6 minutes to the gentleman from Michigan [Mr. HARVEY].

Mr. HARVEY of Michigan. Mr. Chairman, I rise in support of H.R. 6497.

One of the basic principles established at the Bretton Woods Conference in 1944 was that the success of any international monetary system would require intelligent, purposeful, and organized cooperation between nations. That principle is embodied in the IMF and is one to which the United States strongly adheres. Moreover, an increase in the resources of the Fund is necessary at the present time in order to maintain the strength and position of the Fund in the evolution of the international monetary system.

The International Monetary Fund was designed, and I quote from its charter:

> To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.
>
> To facilitate the expansion and balanced growth of international trade and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

Accordingly, the Fund has worked continuously for the elimination of exchange restrictions, the avoidance of competitive and destructive exchange depreciations, as well as the promotion of exchange stability. When member countries—such as recently was the case with the United States—draw needed currencies from the Fund they do so to provide financing for their position while corrective measures are being taken to eliminate a hopefully temporary balance-of-payments deficit. Any drawing must be repaid within a 3- to 5-year period.

In this regard, it should be apparent to all that the IMF should not and cannot be confused with institutions whose primary purpose is the making of long-term loans. Nor should it be confused with our various foreign aid programs.

I am in wholehearted support of H.R. 6497. There are, however, several disturbing matters surrounding this legislation which demand our attention.

Mr. Chairman, for the first time in the IMF's history, we in the United States find ourselves in a position to directly benefit. Ironically, this is regrettable, for when a nation must lean on the IMF for support it means only one thing: You are in balance-of-payments trouble. In this regard the IMF can be likened to a hospital. It is comforting to know it is there, but you hope you can keep looking at it from the outside. Right now, Great Britain is in the emergency ward receiving a $2-billion transfusion, while the United States is like an outpatient having drawn about $330 million in hard currencies during the corresponding period.

A better illustration of our beneficiary position can be seen by the Fund's holdings of dollars. Prior to 1960, drawings from the Fund were predominately taken in dollars and the United States was in a strong creditor position in relation to the Fund. By the end of 1957, gross drawings of dollars had amounted to nearly $2.7 billion, and at that time IMF holdings of dollars represented no more than 28 percent of the U.S. quota. Beginning in 1958, as the United States moved into a chronic payments deficit position, the Fund began increasingly to provide currencies other than the dollar to countries seeking temporary financing. This practice intensified as the U.S. balance-of-payments deficits worsened to the point where today the Fund's holding of dollars exceeds 75 percent of our quota, thus placing us in a debtor position to the Fund.

In considering this bill, it is appropriate that we in the Congress take a long, hard look at our serious payments deficit. The two are directly related. More important, practically every major spending bill that comes before us is directly or indirectly related to both the IMF and our payments deficits. When we enjoyed payments surpluses, we enjoyed the shortsighted luxury of treating the IMF in an academic, distant attitude of moral responsibility to international monetary cooperation. We can no longer afford such luxury. And to those who doubt it, just remember the austere words of a liberal Labor Prime Minister in London a few weeks ago.

Spend and spend, elect and elect might be a successful political maxim for some, but it does not even budge the rigid disciplines of international finance—the one endeavor that demands financial integrity and responsibility if a nation is to maintain world leadership.

The pigeons of neglect have come home to roost. For years, we have been deluded by those who said that our international credit card could withstand endless expenditures for foreign aid and unilateral military commitments. Even in this congressional session we will be told that our budget deficits have no relationship to payments deficits, even though domestic policies have doubtless affected our once formidable competitive trade advantage leading to our declining share of a growing world trade. In 1948 our share of world commerce was 25 percent. In 1953 it was 16 percent. Today it has further declined to 14.7 percent.

Moreover, to no small degree has the $1.6 billion annual tourist gap been encouraged by high domestic vacation and travel costs. "See the U.S.A." is an empty slogan to the family who can see Europe for about the same amount, plus combine it with business or study, while putting the travel cost on a credit card.

I am also troubled by one other aspect of the bill before us today. During the hearings I asked former Secretary Dillon whether France was going to participate in this 25 percent quota increase to the IMF, and his answer was, "They have not said they would not." This is especially disturbing when one realizes that the French attitude is in actuality a Continental attitude. As Secretary Dillon testified:

> I think you have this problem—not just in France, but partly in Germany, partly in Holland, and all through the continent of Europe—that the basic problem with the world monetary system wasn't a lack of eventual reserves, but that there was too big a U.S. deficit, and that there was no way to bring it into order. So they weren't really interested except in trying to achieve some sort of system or a change that would put pressure on the United States to balance its payments.

So let us not try to get off the hot seat by taking a kick at De Gaulle, for as Secretary Dillon said, his attitude is shared by many. Blaming our predicament on De Gaulle might be good for home consumption, and might sound more palatable on the evening television news commentary, but it will not solve a thing. Rather, what this foreign attitude signifies is an increasing demand from creditor nations for the United States to solve our problem on their terms. Likewise, this has resulted in a paralysis of our ingenuity and forcefulness in solving our deficit in terms favorable to ourselves. In short, a chronic payments deficit must result to a certain extent in a loss of prestige and world leadership.

Nor does it do us any good to cast an indignant glance back to the period following World War II, when the United States generously extended huge credits for the sake of avoiding world monetary catastrophe, yearning that the actions of present-day payments surplus nations reflect our manifold past favors. Suffice it to say that they both have not and will not, and the sooner we recognize this fact of international life, the better off we will be.

Mr. Chairman, I support H.R. 6497. It is a good bill, and one from which the United States will benefit. Nevertheless, because the treatment of our chronic balance-of-payments deficit is largely a function of the Executive—although a product of legislative action—I wanted to take this opportunity to address myself to this serious payments problem.

Let us strive to insure that in the critical area of world monetary affairs, the United States will maintain a position of strength, influence and world leadership.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. BROCK].

Mr. BROCK. Mr. Chairman, to argue against the IMF's objective of creating a climate more conducive to international monetary cooperation could be likened to voting against crackerjacks at a Sunday afternoon doubleheader.

Nevertheless, I feel impelled by the circumstances surrounding this legislation to raise my voice in protest.

As former Secretary Dillon testified:

> When member countries draw needed currencies from the Fund they do so to provide financing for their position while corrective measures are being taken to eliminate a temporary balance-of-payments situation.

The mechanism of providing time to member countries suffering temporary deficits in their international transactions is the very essence of the IMF. To this principle I heartily subscribe, for who can doubt that the post World War II period has witnessed a far better international monetary climate than the 20 years after World War I, which included the monetary crisis of the 1930's, the shattering worldwide depression which followed, the proliferation of "beggar thy neighbor" trade policies, and the growth of various forms of trade warfare and restrictive exchange controls.

Some—though by no means all—of this improvement has been generated by the existence of the IMF, working on the principle that any nation can work its way out of a temporary payments deficit, provided it has two things on its side: time in which to work and the fortitude to apply the needed disciplines over its domestic and international economic policies.

Today, for the first time, the United States is in a deficit position with relation to the IMF. Today, for the first time, the United States is drawing hard currencies from the Fund in exchange for dollars.

The bill before us presumably will be part of an arsenal of weapons by which the United States hopefully will work its way out of a chronic payments deficit. It provides temporary financing with scarce currencies and it provides time.

A few weeks ago, the Congress approved and the President signed a bill removing the gold backing from Federal Reserve notes for the express reason of

providing us with the needed time from which to extricate ourselves from the mounting pressures attending the increasing loss of gold from our reserves.

Under H.R. 6497, you are being asked to increase the U.S. quota to the IMF by 25 percent, including a gold payment to the Fund of $259 million. But, in highly complicated language, means have been devised through a fast shuffle of resources by which this allegedly will not affect a corresponding drain on the U.S. gold holdings. Again, in keeping with the principles of the Fund, this maneuver buys for us some additional time—time during which we will hopefully find means for reducing the increasing exchange of dollars for gold by foreigners.

Similarly, during the past few years, pressure against the dollar temporarily has been reduced by various Treasury Department swap arrangements and "Roosa Bonds."

During the same period Congress approved the interest equalization tax, at which time we were told by the administration that such action would surely go a long way toward solving our payments deficits, provided Congress supplied the tools by which a breathing spell could be achieved.

Then, in February President Johnson sent his balance-of-payments message to Congress in which he asked for an extension and broadening of the interest equalization tax, as well as a program of voluntary restraints on private capital investments outside the United States. Again, woven between every line of the President's message was the theme that all that is needed to solve our problem is time in which to work.

Finally, only last Friday, the Wall Street Journal ran a feature story on the administration's attempts to decrease the $1.6 billion annual tourist gap, in which several key executive department aids were quoted as implying that a tax on U.S. tourists is still very much under active consideration.

Like the IMF, all these measures have been designed to provide time in which to solve this perplexing problem. Let us not forget, however, that time is short. In the past 2 weeks our outflow increased by another 150 million in gold increasing the load to 975 million this year.

But like H.R. 6497's shuffle of gold quotas, most of these programs are misdirected away from the real cause of our payments problem, and worse yet, they waste whatever period of grace they may create.

Virtually every administration effort to correct our balance-of-payments deficit is characterized by placing the blame on the private sector of our economy. If you are looking for a scapegoat, blame private business, blame the big banks, blame the tourist, and for good measure, blame De Gaulle. Do not under any circumstances, however, blame the Federal Government.

Certainly, under the veiled threat of future imposition of mandatory Federal controls, the present program of so-called voluntary restraints over private capital investment abroad will be reflected in a reduced payments deficit. But at what longrun cost to our economy? And if our shortrun payments position improves under these misdirected programs, we will then get the green light to continue at the prevailing or expanded levels of our present foreign aid and virtually unlateral military commitments, while at the same time reducing the pressures for securing some help in these endeavors from our allies.

Our total economic aid since 1945, net after repayments, amounted to $65 billion, and our military assistance and direct defense expenditures abroad have amounted to $68 billion—a total of $133 billion net since 1945.

This comes to an average of more than $7 billion a year spent abroad by the United States, most of it of a nonincome bearing, nonrepayable nature.

The accumulated balance-of-payments deficits since 1950 amount to $36 billion. Of this, $26 billion was accumulated between 1958 and 1964.

Since our international private financial, trade, and service accounts are in balance, one cannot escape the conclusion, that, of the recorded $133 billion that the Federal Government has spent for aid and defense abroad, one-quarter or $36 billion in accumulated deficits has not been compensated by equivalent earnings abroad. Interestingly enough, this is nearly equivalent to the $2.4 billion average annual net dollar outflow of the Government account during the past several years.

We have met about $10 billion of this deficit by export of gold; the rest being added to our liquid liabilities which are close to $29 billion today.

The real danger that this situation presents is that we do not have sufficient external resources to meet our annual Government obligations, leading to the present situation where we have to borrow abroad in order to pay our bills for foreign aid and military commitments. Such a situation severely limits our freedom of action in the international field, and puts our creditors in a position to demand that we solve our balance-of-payments deficit in terms favorable to them, and unfavorable to ourselves.

It is evident that the thrust of the administration's program of voluntary restraints against private capital investments abroad is in complete harmony with European economic attitudes. The chief economic spokesman for the Common Market, Mr. Robert Marjolin, told the European Common Market Commission on March 23 last that—

> There is therefore no doubt that capital transactions are the item which calls for attention if the American deficit is to be corrected. We think that slowing down American direct investment in the industrial developed countries would also contribute to the general health of our economies. Common Market action in this direction could consist of a detailed statistical check on direct investments from nonmember countries.

Here we see the crux of the matter—a choice of government-to-government aid over the longer range benefits of free enterprise and investment.

Then, just last Friday, one of our Nation's leading authorities on balance of payments, Prof. Robert Triffin, of Yale University, warned:

> If President Johnson's program for voluntary restrictions on capital outflows is maintained for very long, it may lead to more mandatory controls.

He further cautioned that the President's program is "bound to raise interest rates in Europe even further—contrary to our desires."

As Mr. Robert A. Best, of the International Economic Policy Association, testified before the Senate Banking and Currency Committee's hearings on the balance of payments last March 23:

> The deficits in the government account have averaged between $3 to $4 billion a year, which is equal to our deficits on regular transactions over the 1958–64 period.

This contrasts, Mr. Best said, to the private sector, where—

> we have been consistently in balance or in surplus. If one were to exclude volatile short-term capital movement, which are really symptoms rather than causes of the problem, the surplus in the private sector would have varied from $1.2 billion to $2.6 billion over the 1960–64 period.

The general conclusion is that the administration's emphasis on controlling private capital investments abroad as a means of solving the balance-of-payments problem would appear to be misguided, a way of avoiding basic policy decisions, and destined to show marginal benefits at best. Of greater importance is the fact that short-range results will create long-range problems.

Moreover, it is not sufficient to state that we have a sizable merchandise trade surplus, and that therefore it is in this area of still further expanded exports that the answer is to be found. About half of our trade surplus is government-induced, and is therefore no true reflection of our basic competitiveness. Nor have our commercial exports in recent years kept pace with the expansion of world trade, where our percentage of total world exports has continued to decline in a rather steady downward trend.

Most interestingly, however, is the fact that the areas where we have maintained a trade surplus, Canada and Western Europe, are those areas where our direct private foreign investments have been the heaviest, while in Latin America, a primary area for foreign aid receipts, our trade position has declined, along with our direct private foreign investments.

The single most healthy sector of our balance-of-payments picture—that area that has been placed under an official cloud of suspicion—is that which has consistently produced exceptional surpluses.

Our long-term private capital account shows a surplus each year since 1945. Contrary to popular belief, direct investment inflows, in the form of direct foreign investment income, royalties, and fees have risen at a much more rapid rate than outflows.

Clearly, then, the records prove that the administration's balance-of-payments program seems to be aimed at one

of the most healthy areas of our international economic endeavor. It is a program that suffers from many faults, the worst being that it seems to have been suggested or dictated by those foreign nations who yearn for a severe reduction in the present-day international leadership and influence of the United States.

Worse yet, it is a program that aims at maintaining the postwar pattern of massive U.S. economic and military expenditures throughout the world at the prevailing or an increased level—a program, the burdens of which have been avoided by the very nations which are cheering us on to new and greater efforts.

Mr. Chairman, the present balance-of-payments crisis confronting the United States could have served a useful purpose had it reminded us that our present policies were anachronistic and not in keeping with the realities of present-day international economics. Our crisis could have been useful had it forced us to make a dramatic turn toward increasing our competitive world trade position in an increasingly competitive nationalistic and regionalistic trading climate.

Rather, we have been forced by habit and cloudy thinking to strike out at private capital investments in an effort to achieve quick paper results as well as to bail out the other timeworn programs.

Moreover, our chronic deficits in balance of payments have occurred in a period of general price stability and comparative cost and trade advantage vis-a-vis most of our trading partners. If inflationary pressures were to mount in the period ahead, the effects on world trade and free capital movement could be disastrous. This possibility appears more imminent today than in previous years as the Nation nears productive capacity. Under such conditions deficit financing can have a more dramatic and direct effect upon our prices, thereby further weakening our international competitive ability.

Clearly, the time for meaningful action is now. We can no longer afford the luxury of hiding behind a series of delaying tactics constructed on a foundation of subterfuges and quiet financial maneuverings. Nor can we afford to scrap our tradition of free capital movements on the altar of wishful thinking, wasteful foreign aid, and restrictive controls on a free economy.

I am supporting this bill because I am convinced that the IMF has and will continue to serve a vital role in international monetary cooperation. However, I do feel obliged to, at this time, express my concern over several problems that are directly and indirectly related to this legislation.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. BROCK. I yield to the gentleman from Missouri.

Mr. HALL. I notice in the report, bottom of page 4, where apparently we talk about $800 million worth of gold taken from this Fund in previous years. Evidently this was in connection with our outflow of gold in dollars to provide a remedy therefor in the International Monetary Fund.

Mr. BROCK. That is correct.

Mr. HALL. The gold had been left on reserve in New York or the bank where it is going, but the IMF claimed it. Still we paid dollars in hard currency to get it back still in the same place. There is some dispute about who now owns and controls that gold, still we are being asked today to put in another $1,038 billion of which over $259 million will be gold. Whose cat is licking which cream?

Can the gentleman explain that? I am thoroughly confused. I, like the gentleman, agree with the principle of cracker jacks. But I wonder if we are not getting ourselves into a position here like that of the lady who buys a bargain because the price tag is low, even though she does not need it, and so is foolhardy.

Mr. BROCK. Our point is that statistics relating to gold holdings are all rather technical and complex. The point is when we give them $250 million gold and they deposit it in this country, it is still owned by the IMF. You have not solved the basic problem. When you owe somebody and you go to the bank to borrow the money you originally owed, you have not solved the problem of the debt. This is our problem, that we have a debt. We have a balance-of-payments deficit adding to the debt each year. We are not solving the problem by putting the gold into a New York bank, because that does not affect it at all.

Mr. HALL. I think that answers the question. We are fooling ourselves.

Is it not true that behind all of this is the fact that back in the early thirties when we were wrestling with the Treasury ourselves, although we cannot claim gold, the $25 billion in the Federal Reserve which we removed the other day in order to make such commitments as these, we allowed oversea bankers to demand their debentures be paid in gold by us even though our own institutions cannot do the same thing.

Mr. BROCK. That is correct.

Mr. HALL. When are we going to get to the basic evil and correct it?

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. BROCK. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. On March 25, 1959, I with 314 others voted for a similar resolution. I came to the floor of the House this afternoon with some mixed emotions. I assumed this bill, H.R. 6497, we have before us today had the kind of merit the legislation did in 1959. I subsequently reread the supplemental views signed by the gentleman from New Jersey and all but one of the Members on our side. I must confess that the supplemental views, which are excellent and sound, have disturbed me and practically convinced me I ought to vote against the legislation. I am therefore perplexed that 10 out of the 11 on our side, after reading these excellent supplemental views you presented, are voting for it. I repeat this is an excellent report by the minority members of the Committee on Banking and Currency. I, therefore, am perplexed as to why there will be favorable votes from those of us on our side.

Mr. BROCK. I cannot speak for all of the Members but I do want to point out this is not a black and white situation. There are advantages in having increased assets in the funds. If the United States had the integrity and the self-discipline to meet its responsibilities to the people of this country and to work on the basic problem, then there would not be any question but that we should support this bill. If we believe in the basic purposes of the administration and the Government, then I think we should support this bill. The question is: Are we going to use the additional time made available by passage of this bill to attack the basic problem? It gives us a fund from which we can draw in order to meet the current needs.

Mr. GERALD R. FORD. Is the reverse true, that if we do not have a feeling of security or satisfaction with the program that the administration is carrying out to remedy the balance-of-payments problem, then we ought to vote against it? Perhaps a straight motion to recommit with an aye vote is one way to express my dissatisfaction with the Johnson administration's failure to resolve the balance of payments despite many, many promises.

Mr. BROCK. I think if we do not expect this administration to make greater efforts in solving the basic problem, then we are adding to the long-range problem with such delaying tactics. Let me point out specifically that the administration's program to solve the balance-of-payments difficulty is primarily slanted at the private sector. That is the one sector in our total balance-of-payments position which is returning a profit to the United States, a profit ranging from $1 to $2 billion a year and up in a return on previous investments. Now we are asking that these investments overseas be curtailed. We are not doing anything about foreign aid or anything about the massive outflows taking place from government to government. We are hitting at the private sector only. The point is if we curtail our private investments overseas, then 5 or 10 years from now we are going to have less profit coming back from these investments. We seem to prefer, in this administration, government-to-government aid rather than private enterprise investment, which is a longer range and more productive investment so far as I am concerned.

As long as the administration is concentrating on curtailing the private sector and is not, so far as I am concerned, meeting its responsibility to the Nation by curtailing government-to-government outflows, then I think we have, and I think any person would have, a valid reason for not supporting this legislation.

Mr. GERALD R. FORD. As I understand, the United States has borrowed from the International Monetary Fund in the last year or so. Does the gentleman know how many times and to what extent?

Mr. BROCK. If I recall, it is three times. I am not sure of the exact total.

Mr. GERALD R. FORD. Three times, as I understand, is the case.

Mr. BROCK. Yes.

Mr. GERALD R. FORD. The gentleman from Michigan [Mr. HARVEY] made the statement that no country could borrow from the International Monetary Fund unless that country had submitted a program that was satisfactory to the managers or the board of directors for the remedying or rectifying of the problem that caused their current financial difficulties. As we, as a Nation, have borrowed from the Fund, have we submitted our plan each time and has it been approved?

Mr. BROCK. Basically, that requirement applies after you have exceeded 25 percent of your total input—your total subscription to the Fund. We have not reached that point yet. So to my knowledge, we have not been required to file a formal plan for solving our balance-of-payments situation. If we have to borrow another billion or so dollars, we will reach that position and we will have to justify the loan on the basis that we have a formal working program to get out from under this burden that we face.

Mr. GERALD R. FORD. In conclusion, I would like to compliment the Members on our side for the excellent minority or supplemental views. They are very persuasive. I hope that regardless of the outcome of this vote today, the administration takes these suggestions and criticisms to heart because, certainly, their record to date does not engender in many people a great feeling of security in this area.

Mr. BROCK. I thank the gentleman and agree with him.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BROCK. I yield to the gentleman from Iowa.

Mr. GROSS. If I understand the situation correctly, we repurchased $800 million of gold and listed it as an asset of this Government while other members of the International Monetary Fund say the same $800 million is an asset of the Fund. How can those situations be true at one and the same time?

Mr. BROCK. It is rather difficult to explain. It is sort of like a balance sheet. You can balance an asset with a liability and increase the total structure, but you do not increase the equity. That is what we are doing when we give to the Fund and then keep gold in our banks—it is a washout on paper—but it is an increase in the future obligations of the United States. That is in effect exactly what we are doing.

Mr. GROSS. How can the Fund claim this to be an asset? The other countries who are members of the Fund use this as an asset.

Mr. BROCK. It is an asset because they have a claim on it. At any time they choose they can call and say, "We want the gold shipped," to wherever they want it.

Mr. GROSS. Then it is not our property.

Mr. BROCK. No, it is not. That is why it should not be included in the gold position of this Nation.

Mr. GROSS. Then it belongs to the Fund. It belongs, in fact, to the foreigners and does not belong to us.

Mr. BROCK. The gentleman is entirely correct.

Mr. GROSS. I do not see how in the world we can claim we have title to $800 million worth of gold when it is subject to withdrawal by foreign governments, and now it is proposed in this bill to add another $250 million of our gold to the International Monetary Fund.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BROCK. I yield to the gentleman from Kansas.

Mr. ELLSWORTH. I was interested in listening to the colloquy between the gentleman and the distinguished minority leader. I wish to say that I fully agree with what the minority leader said about the persuasiveness and the compelling force of the supplemental views in the committee report, signed by the gentleman from New Jersey, the gentleman in the well, and other Republicans. They are very compelling and persuasive.

I should like to ask for a clarification, as to whether I understood the gentleman from Tennessee correctly in his colloquy with the minority leader. The gentleman said, I believe, that if we feel the administration's handling and approach to the current balance-of-payments difficulties we are in is the right approach, and is a sound approach, then we ought to vote for this bill; and, on the other hand, if we are not happy with the administration's current approach to the balance-of-payments problems, and if we feel that the administration is approaching the balance-of-payments problem from the wrong point of view, then we should vote against the bill. Is that a correct understanding of what the gentleman told the minority leader?

Mr. BROCK. I thank the gentleman. I believe that is a fairly good summation.

I would say we should consider not only the current administration program, because that is obviously not the only thing we are going to be doing—at least, hopefully. I believe we should also consider whether the administration has the necessary self discipline to pursue a program additional to the one we have at hand.

Mr. ELLSWORTH. Let me ask the gentleman whether he believes a "no" vote on this bill would assist the administration in coming more quickly to that condition of self-discipline, which we all feel the administration should approach rapidly?

Mr. BROCK. I believe it is possible. If I were convinced that a "no" vote would have any effect on the administration at all I would shout a very loud "no".

Mr. ELLSWORTH. Of course, I do not control the gentleman's vote or the vote of anyone else, but to the extent that my vote might have any effect on the administration I intend to vote "no" on this bill for that purpose.

Mr. BROCK. I thank the gentleman.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. BROCK. I yield to the gentleman from New York.

Mr. MULTER. I believe we can help to clarify the situation, if the gentleman will permit.

The two main purposes for bringing the International Monetary Fund into being were to promote international monetary cooperation and to facilitate expansion and growth. I read from the original Bretton Woods Agreement:

To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.

To facilitate the expansion and balanced growth of international trade and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

I feel sure that the gentleman will agree, and everyone who signed the minority views will agree, that these purposes have been accomplished; perhaps not to the fullest extent we would like to have them, but at least we are moving in the right direction.

Mr. BROCK. I do indeed agree.

Mr. MULTER. Unless we can replace the Fund with something else, we will have nothing else to do the job on the international scene.

Mr. BROCK. This is the difficult choice facing us today. As these gentlemen have pointed out, a "no" vote might serve notice that we believe greater emphasis should be given to the balance-of-payments problem. Perhaps we must deal entirely with the IMF as it exists.

Mr. MULTER. A "no" vote in effect would be a vote to get rid of something doing the job and to look for something in the future.

Mr. BROCK. I do not believe one could interpret a "no" vote for all Members in that light. If I voted "no" I would not vote in that light. I would simply be voting for a lack of effort on the balance-of-payments problem. However, I would prefer to vote "aye" on a motion to recommit indicating a deep concern over our balance-of-payments program; for I do believe in the basic benefit of this Fund.

Mr. MULTER. At the same time, no one has come forward with a substitute for the IMF. We all agree we need something to do this job. While there may be some substance to the arguments made in the supplemental views, I believe it is the duty of those persons who offer those supplemental views in criticism to come forward with an affirmative program and to say, "this is a better way to do what we are doing."

Simply to say we must improve our balance of payments is not enough. I think you must come forward and say, "Let us do this that the administration is not doing" or say "Let us not do it."

Mr. BROCK. I would suggest that the gentleman join me in voting against foreign aid as the first step.

Mr. Chairman, I include at this point several articles and tables which will further explain and clarify the scope of this legislation.

TABLE 1.—*Private and Government sectors in the U.S. balance of payments, 1960–64*

[In billions of dollars]

	1960–61 (average)		1962		1963		1964 [1]	
	Private	Government	Private	Government	Private	Government	Private	Government
Exports	17.6	2.1	18.1	3.0	19.2	3.4	22.3	3.5
Income on investments	3.2	.4	3.9	.5	4.0	.5	4.4	.5
Other service receipts	3.9	.2	4.1	.2	4.4	.2	4.5	.2
Long-term capital inflows	.4		.3		.3		.4	
Repayments to U.S. Government [2]		1.0		1.3		1.0		.7
Government liabilities [3]		.1		.9		1.1		.7
Total receipts	+25.1	+3.8	+26.4	+5.9	+27.9	+6.2	+31.6	+5.6
Imports	−14.6		−16.1		−17.0		−18.6	
Services	−5.4	−.9	−5.8	−.8	−6.3	−.8	−6.8	−.8
Private long-term investments	−2.6		−2.8		−3.4		−3.6	
Military cash outflows		−3.0		−3.0		−2.9		−2.9
Government grants and loans		−3.8		−4.3		−4.5		−4.3
Total payments	−22.6	−7.7	−24.7	−8.1	−26.7	−8.2	−29.0	−8.0
Basic position	+2.6	−3.9	+1.6	−2.3	+1.2	−2.0	+2.6	−2.4
Short-term capital outflows:								
Increase (−) in private short-term assets abroad	−1.4		−.5		−.6		−2.1	
Unrecorded outflows	−.6		−1.0		−.5		−.5	
Total, overall position	+.6	−3.9	+.1	−2.3	+.1	+2.0		−2.4

[1] Preliminary estimates.
[2] Includes debt prepayments of $53,000,000 in 1960, $696,000,000 in 1961, $681,000,000 in 1962, $326,000,000 in 1963, and $115,000,000 during 1964.
[3] Includes sale of medium-term Government securities to foreign governments which totaled $251,000,000 in 1962, $7C2,000,000 in 1963, and $375,000,000 in 1964.

Source: U.S. Department of Commerce, Survey of Current Business, June 1964, pp. 10–11, December 1964, pp. 10–11; and Department of Commerce press release, Feb. 11, 1965.

TABLE 2.—*U.S. short-term liabilities to foreigners as of December 1964*

[In millions of dollars]

	Total short-term liabilities	Short-term banking liabilities to foreigners	Short-term liabilities reported by nonfinancial concerns [1]
Total	29,408	28,759	649
Europe	12,589	12,248	341
Canada	3,038	2,979	59
Latin America	3,643	3,532	111
Asia	4,673	4,591	82
Other countries	494	438	56
International and regional	4,970	4,970	

[1] Reported only through September 1964.

Source: U.S. Treasury Department, Treasury Bulletin, February 1965, pp. 103 and 107.

TABLE 3.—*U.S. share of world trade, 1948–64* [1]

[In millions of dollars]

	Total world exports (f.o.b.) [2]	U.S. exports [2] (f.o.b.)		U.S. exports (excluding AID-financed exports)			Total world exports (f.o.b.) [2]	U.S. exports [2] (f.o.b.)		U.S. exports (excluding AID-financed exports)	
		Amount	Percent of total	Amount	Percent of total			Amount	Percent of total	Amount	Percent of total
1948	53,086	13,193	24.9	[3]	[3]	1957	101,060	19,390	19.1	[3]	[3]
1950	57,235	10,117	17.7	[3]	[3]	1958	95,400	16,264	17.0	[3]	[3]
1951	77,261	14,123	18.3	[3]	[3]	1959	101,200	16,282	16.1	[3]	[3]
1952	74,386	13,319	17.9	[3]	[3]	1960	113,100	19,459	17.2	17,540	15.5
1953	75,266	12,281	16.3	[3]	[3]	1961	118,200	19,913	16.8	17,676	15.0
1954	78,033	12,799	16.4	[3]	[3]	1962	124,400	20,479	16.5	18,134	14.6
1955	84,792	14,280	16.8	[3]	[3]	1963	135,600	21,984	16.2	19,269	14.2
1956	94,114	17,379	18.5	[3]	[3]	1964	151,500	25,600	16.8	22,200	14.7

[1] Except 1949.
[2] Excludes Communist bloc countries and Cuba.
[3] Not available.

Source: International Monetary Fund, International Financial Statistics and U.S. Department of Commerce, Survey of Current Business.

TABLE 4.—*U.S. trade position by selected regions, 1946–63*

[In millions of dollars]

	Canada		Western Europe		Latin America		Japan	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
1946	1,469	875	4,248	776	2,148	1,876		
1947	2,116	1,129	5,694	802	3,859	2,299		
1948	1,935	1,599	4,566	1,066	3,162	2,626	325	65
1949	1,925	1,554	4,162	916	2,712	2,501		
1950	2,011	1,947	2,964	1,280	2,718	3,091		
1951	2,682	2,280	3,993	1,951	3,746	3,510		
1952	2,976	2,345	3,472	2,022	3,474	3,569		

TABLE 4.—*U.S. trade position by selected regions, 1946–63*—Continued

[In millions of dollars]

	Canada		Western Europe		Latin America		Japan	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
1953	3,123	2,435	2,992	2,278	3,045	3,531	670	235
1954	2,855	2,364	3,492	2,030	3,323	3,445	680	285
1955	3,326	2,678	4,313	2,398	3,282	3,470	645	455
1956	4,116	2,916	5,378	2,949	3,835	3,782	900	550
1957	4,022	2,938	5,965	3,094	4,642	3,930	1,230	605
1958	3,520	2,703	4,668	3,299	4,156	3,749	840	695
1959	3,800	3,045	4,724	4,517	3,572	3,710	930	1,050
1960	3,768	2,899	6,696	4,174	3,522	3,619	1,330	1,110
1961	3,705	3,080	6,821	4,054	3,453	3,229	1,730	1,070
1962	3,833	3,660	6,381	4,539	3,231	3,380	1,410	1,357
1963	4,119	3,829	6,890	4,726	3,117	3,451	1,697	1,498

Source: U.S. Department of Commerce, Balance of Payments Statistical Supplement.

TABLE 5.—*Composition of U.S. trade, 1946–56*

[In millions of dollars]

Commodities	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Machinery:											
Exports	1,242	2,303	2,202	2,296	1,951	2,462	2,719	2,746	2,612	2,824	3,568
Imports	32	55	104	107	111	170	228	225	220	256	368
Chemicals:											
Exports	437	711	660	640	605	862	704	714	868	1,103	1,164
Imports	85	94	98	106	152	175	208	252	260	270	287
Food and beverages:											
Exports	2,201	3,152	2,645	2,302	1,465	2,400	2,188	1,817	1,677	2,052	2,744
Imports	1,287	1,648	1,930	2,004	2,560	2,915	2,920	3,096	3,193	3,018	3,086
Metals and manufactures:											
Exports	606	1,160	972	1,010	699	916	1,108	928	1,065	1,576	1,855
Imports	386	565	865	917	1,105	1,232	1,658	1,919	1,493	1,738	2,037
Nonferrous metals:											
Exports	76	172	167	148	115	146	209	160	298	306	398
Imports	315	467	721	752	860	821	1,273	1,352	1,110	1,275	1,418
Petroleum and products:											
Exports [1]	436	641	657	562	499	787	793	695	658	646	763
Imports [2]	162	260	432	485	595	601	690	762	829	1,034	1,282
Nonfood consumer goods:											
Exports	1,075	1,527	1,131	913	808	1,155	1,019	1,130	1,144	1,276	1,314
Imports	489	374	461	410	556	693	715	802	830	1,064	1,260

[1] Includes natural gas.
[2] Excludes natural gas.

Source: U.S. Department of Commerce, Balance-of-Payments Statistical Supplement, 1963, pp. 104–139.

TABLE 6.—*Composition of U.S. trade, 1958–64*

[In millions of dollars]

Commodities	1958	1959	1960	1961	1962	1963	1964 [1]
Machinery:							
Exports	3,653	3,685	4,093	4,488	4,871	5,065	5,800
Imports	481	673	721	786	949	1,036	1,182
Chemicals:							
Exports	1,405	1,543	1,763	1,787	1,843	1,922	2,314
Imports	800	874	818	732	765	705	696
Food and live animals:							
Exports	2,240	2,405	2,668	2,921	3,181	3,570	3,843
Imports	3,211	3,176	2,999	3,018	3,245	3,399	3,360
Metals and manufactures:							
Exports	1,316	1,018	1,559	1,318	1,287	1,377	1,582
Imports	1,053	1,587	1,380	1,383	1,649	1,836	2,056
Petroleum and products:							
Exports	514	453	439	398	401	446	414
Imports	1,616	1,529	1,534	1,637	1,729	1,764	1,871
Nonfood consumer goods:							
Exports	1,271	1,274	1,327	1,356	1,380	1,494	1,692
Imports	1,710	2,424	2,459	2,200	2,707	2,797	[2] 2,900
Automobiles and parts:							
Exports	1,042	1,096	1,171	1,085	1,181	1,306	1,490
Imports	551	884	627	378	515	566	590

[1] Annual rate for the 1st 3 quarters.
[2] Estimated.

Source: U.S. Department of Commerce, Overseas Business Reports

TABLE 7.—*U.S. direct foreign investments, inflows and outflows, 1945–64*

[In millions of dollars]

	Direct foreign investment outflows (1)	Direct foreign investment income (2)	Royalties and fees (3)	Total (col. 2+3) (4)	Balance (col. 4−1) (5)
1945	100	426	[1]	426	326
1946	230	589	[1]	589	369
1947	749	869	[1]	869	120
1948	721	1,064	[1]	1,064	343
1949	660	1,112	[1]	1,112	452
1950	621	1,294	[1]	1,294	673
1951	508	1,492	[1]	1,492	984
1952	852	1,419	[1]	1,419	567
1953	735	1,442	[1]	1,442	707
1954	667	1,725	[1]	1,725	1,058
1955	823	1,912	[1]	1,912	1,089
1956	1,951	2,171	[1]	2,171	200
1957	2,442	2,249	241	2,535	48
1958	1,181	2,121	280	2,401	1,220
1959	1,372	2,228	325	2,553	1,181
1960	1,694	2,355	344	2,799	1,025
1961	1,598	2,767	448	3,215	1,617
1962	1,654	3,050	548	3,598	2,041
1963	1,888	3,059	622	3,681	1,793
1964 [2]	2,207	3,557	700	4,257	2,050

[1] Not available.
[2] Preliminary.

Source: U.S. Department of Commerce, Balance of Payments Statistical Supplement and selected issues of the Survey of Current Business.

TABLE 8.—*Comparative short-term lending rates in major money centers, and other Europe, June 1957, July 1960, and January 1965*

[Rate in percent]

	January 1965	July 1960	June 1957		January 1965	July 1960	June 1957
Major money centers:				Other Europe:			
United States	4.50	5.00	4.00	Portugal	4.00	4.00	5.00–5.50
Switzerland	4.75	4.50–5.00	4.50	Norway	5.75–6.25	5.50	4.75
Netherlands	5.50	4.50–5.50	5.50	Ireland	7.00	6.50	6.25
Canada	5.75	5.75	5.50	Spain	6.50–7.50	6.50–7.00	6.00–6.50
Japan [1]	6.205	7.30	8.40	Austria	7.00–7.50	8.50	9.50
France [2]	6.35	6.00–6.50	6.60–7.00	Finland	7.00–8.00	6.00–7.00	8.00–8.50
Germany (Federal Republic)	6.25–6.50	8.00–8.50	9.00	Denmark	8.00–9.00	7.50	7.00–8.00
Belgium	6.75	5.25–6.75	5.00–5.50	Greece	8.50	9.00–10.00	12.00
Sweden	6.75–7.25	6.00–6.50	6.50–7.00	Iceland	9.00	[3]	[3]
Italy [2]	7.50	6.50–7.50	7.50	Turkey	9.00–10.50	7.00	7.00–9.00
United Kingdom	7.50–8.00	6.50–7.00	5.25–5.50				

[1] "Standard rate" to banks on commercial paper eligible for rediscount with the Bank of Japan.
[2] A large amount of borrowing is done by discounting trade paper at rates below the rate on advances.
[3] Not available.

Source: First National City Bank, Monthly Economic Letter, February 1965 (inside back cover).

TABLE 9.—*U.S. share of Latin American imports and U.S. net aid to Latin America, 1956–64*

[In millions of dollars]

	Total imports, Latin America [1]	Total exports to Latin America from the United States [1]	Percent U.S. share	U.S. net aid to Latin America [2]	IDB [3]		Total imports, Latin America [1]	Total exports to Latin America from the United States [1]	Percent U.S. share	U.S. net aid to Latin America [2]	IDB [3]
1956	6,924	3,318	47.9	212		1961	7,770	3,426	44.1	834	7
1957	8,306	4,279	51.5	320		1962	7,879	3,403	43.2	656	59
1958	7,403	3,498	47.3	639		1963	7,807	3,356	43.0	630	141
1959	7,020	3,222	45.9	397		1964 [4]	8,400	3,600	42.9	489	198
1960	7,550	3,406	45.1	271							

[1] Excludes Cuba.
[2] Actual disbursements; does not include aid from international institutions.
[3] Actual disbursements.
[4] Preliminary.

Source: U.S. Department of Commerce, IDB Information Office.

[From the Wall Street Journal, Apr. 26, 1965]

EUROPEAN CAPITAL—UNITED STATES, BRITISH PROBLEMS SHOW NEED FOR NEW MONEY MARKET

(By J. Russell Boner)

BRUSSELS.—The balance-of-payments troubles of the British and American Governments, and the resulting clampdowns on the outflow of pounds and dollars to finance industrial expansion in other developed nations, are sure to lend increased urgency to the need for Europeans to develop on the continent a major market for capital.

The broadening of the U.S. interest equalization tax to cover bank loans, coupled with President Johnson's pleas to industry and banks to voluntarily help curb the flow of dollars abroad, in only 2 months has made it more difficult and costly for companies to raise new funds in Europe. And stiff new controls imposed earlier this month by the British Government to reduce capital outflow promise to increase the strain.

Economists and bankers agree that in the face of these limitations on traditional sources of new money to fuel Europe's booming economy, Europeans must mobilize their considerable wealth through an efficient money market, or see their economic growth stunted. It will be ironic, to say the least, if the failure of the United States and Britain to order their financial affairs in the past now forces Europe into an orderly modernization of its financial markets.

While the European economy has been enjoying an unprecedented boom in recent years, "the major financial centers * * * have completely failed to develop along with the growth of industry," charges London Sunday Times Business Editor Anthony Vice. "There is simply no way across United Kingdom exchange control and narrow continental capital markets of financing sizable new investments in Europe."

A DISTANT PROSPECT

Many United States and British bankers maintain that development of a continental capital market that is even a pale imitation of London, to say nothing of the sophisticated New York market is years off at best. A U.S. Treasury study published last year indicates the U.S. domestic private market had roughly six times as much money in outstanding issues (including mortgages) as the markets of the Common Market nations combined.

But although no one expects a continental capital market to develop overnight, there are already a wide number of moves under way, especially within the European Economic Community, or Common Market, that will go a long way toward speeding its development. "No one can say there is a capital market organized as such, but there is a start," says a leading Belgian broker.

Officials of the EEC, which is composed of Germany, Italy, France, Belgium, the Netherlands and Luxembourg, are already moving toward instituting freer trading of member nation securities. They're also pushing tax changes to benefit both borrowers and lenders, and perhaps most important, they are pushing for common monetary policies, and the more distant goal of a common currency.

The factors behind the weak, continental capital market are many.

"Depression, war, and reconstruction operated to separate national capital markets from each other, to discourage their internal mechanism and to encourage reliance on official directives rather than the market process," the U.S. Treasury report says.

Governmental controls remain a factor in inhibiting the growth of a capital market by channeling money into sectors which national policy dictates should be stimulated.

High interest rates prevailing in Europe make the market less attractive to borrowers than the United States, but in addition tax structures in many countries raise borrowing costs even higher, and at the same time reduce effective returns to lenders.

An officer of an American branch bank here notes that Europeans prefer to keep their assets liquid, or invest in real property, and adds: "History has proved them right."

A U.S. economist suggests another reason: "In those parts of Europe, where tax evasion is still a national pastime, bonds are not popular." Lack of current and pertinent information on companies and their financial position is a further deterrent to investors.

Thus the existing small national markets are made even weaker by lack of broadscale public participation, such as exists in the United States. In fact, the market is so thin in Belgium that an American banker confides that if the branch should attempt to unload as little as $1 million in Belgian Goverment securities at one time, it would disrupt the market, and send prices tumbling. "About $100,000 a day is all it will stand," he says.

For this reason, in the past many European investors have preferred to buy European securities through New York, where the market is much broader. One study shows that European savers and financial institutions bought $130 million of $325 million of new European securities sold in New York in 1962.

The author of the Treasury report, Economist Peter B. Kenen, concludes: "The weakness of the European capital markets can only be remedied if those markets are consolidated. They would be more receptive to new issues if one could buy or sell a European bond on any European market."

As it is, a German or Frenchman may be reluctant to put up marks or francs for an Italian bond payable in lira, for fear the Italian currency may be devalued.

To some extent this problem has been met through "unit of account" issues, in which Europeans buy bonds in their own currencies and through a complicated system of provisions are protected against currency devaluation. This system has recently lost some favor, partially due to its complexity, but also because it poses a considerable and unknown risk to the borrower.

Since the peril of devaluation poses such an obstacle to raising funds on the Continent, establishment of a fixed relationship between currencies might go a long way toward development of a capital market.

And it's just in such terms that Robert Marjolin, vice president of the commission of the EEC, spoke to the European Parliament late last month in outlining some of the plans of the executive commission.

"Our task is now to insure that devaluation or revaluation, which today are only difficult and unlikely, become impossible and useless," he said. (Many Common Market officials consider the agricultural agreement, reached last December, which fixed certain farm price supports in a unit of account, makes it politically impractical for a nation to devalue its currency. Such a move would now tend to increase food prices and farmers' incomes at the expense of other segments of the economy.)

Mr. Marjolin indicated that to make a change in the relationships among currencies impossible, the executive commission was seeking common norms for budgetary policy, credit policy and eventually incomes policy, to achieve unity on capital movements, and harmonize progressively the instruments of monetary policy. Finally, he said, "We are seeking to strengthen the solidarity of member states in the matter of international liquidity of reserves and their cooperation in international monetary operations, until the day when the reserves of each country can be considered a part of a single reserve." Many observers feel this would result in a de facto common currency.

BETTER MOVEMENT OF CAPITAL

Additionally, a Common Market spokesman says that recently a draft directive on the free movement of capital was submitted to the council of ministers for approval. It calls for elimination of discriminatory taxes or listing requirements that might impede the sale of securities of a member nation on the bourse, or stock exchange, of another EEC country. Hopefully, he adds, the measure will be approved and sent to member states to enact into enabling legislation by yearend.

Brokers in Brussels are hatching a plan to facilitate the trade of U.S. securities in Europe by offering to act as nominees for all professionals in Europe. One says this would eliminate some of the bothersome paperwork now involved in trading these securities, especially between investors in different countries. He adds that the plan could be expanded to securities of other nations in the future, thus aiding the freer flow of capital.

Taxes on the accumulation of capital in Common Market countries pose another obstacle to attempts to raise money. Common Market officials have proposed equalizing this tax throughout the EEC nations at 1 percent of capital accumulated (it runs as high as 2.5 percent in some countries). They've also proposed elimination of a stamp duty paid by the lender on funds supplied. This not only slightly reduced yields, but was used by some nations to discriminate against sales of foreign securities through imposition of higher stamp taxes.

Individual nations are also making investing more attractive to their citizens through tax benefits. Germany taxes profits paid out in dividends at a lower rate than retained earnings. A former Dutch regime was planning a similar setup before it lost power. Belgium since 1962 has allowed investors a tax credit for corporate taxes paid on earnings behind the dividends they receive, and the French Government recently sponsored a tax concession to its citizens based on the same principle.

So the troubles that the United States and Britain have been having in balancing their international accounts may eventually make Europe much more self-sufficient when it comes to financing its own economic growth.

[From the European Community, April 1965]

"INTERNATIONAL LIQUIDITY MUST BE BASED ON TRADES NEEDS," MARJOLIN SAYS EEC COMMISSION TO PREPARE ACTION PROGRAM ON MONETARY UNITY

Robert Marjolin, Common Market Commission vice president, told the European Parliament March 23 in Strasbourg that any increase in international liquidity must be based on real international trade needs and not on any country's balance-of-payments problems.

"The weaknesses of the gold exchange standard, as applied at present," he said, "are now universally recognized, and it appears that the arbitrary creation of international liquidity, not in accordance with the needs of international trade but following disequilibrium in the balance of payments of this or that country, has now reached a limit which it would be dangerous to exceed."

Mr. Marjolin also said that the Commission was preparing an action program to lead the Community toward monetary union.

Following are excerpts from Mr. Marjolin's speech:

"For several years, the international monetary system has not been working in a manner that we could consider to be satisfactory. To meet the difficulties that keep on occurring in this field, important and often improvised changes have been made in the rules that were worked out immediately after the war.

"This has produced considerable disorder, and as there has not been sufficiently broad agreement as to the proper remedies, the disorder has not yet been put right. The free world cannot be satisfied with an attempt to solve the problem of the imbalances which face it today by applying methods which recall the disastrous errors of the period between the two great wars.

"A number of important declarations have now changed the terms in which the problem is posed—the statement by the President of the French Republic on February 4, President Johnson's message to the Congress on the United States balance of payments, made on February 10, the lecture given on February 11 by Giscard d'Estaing, the French Minister of Finance and Economic Affairs, the additional remarks by the U.S. President on February 18, and others.

"Commentators have frequently tried to oppose these various points of view in an endeavor to be constructive and to help work out a solution that could be acceptable to everyone. I propose to begin by underlining what is common ground and then to show what questions still remain to be answered and in what direction we could usefully seek the answers.

U.S. DEFICIT EXAMINED

"Let me say first of all that discussions on the world monetary system would not be taking place in such a strained atmosphere if the balance of payments of the United States, the greatest economic power in the Western World, had not been showing a serious deficit for more than 7 years. This chronic deficit was made possible, if not caused, by an excess of domestic liquidity in America itself. It has been a not inconsiderable factor of inflation for the chief trading partners of the United States, though—at least in the EEC—purely internal factors have played an even more important part. Some central banks have accumulated dollars in considerable quantities; this enabled the United States to be in deficit over a long period without its gold reserves having to suffer the full consequences.

"Such are, broadly, the facts.

"President Johnson has made a lucid and courageous analysis of this situation. He has given us the striking phrase: 'We are highly solvent, but not liquid enough.' He has also said: 'We cannot, and do not, assume that the world's willingness to hold dollars is unlimited.' He has restated the firm determination of the United States to eliminate the deficit in its balance of payments.

"There is much discussion on the causes of this deficit; we may hope that the controversy will be ended by what the Americans themselves say. 'Our payments problem,' President Johnson has stated, 'is not an export problem * * *. We have to deal head-on with the surging outflow of private capital.'

"We are all aware of the measures that the President of the United States has decided to impose; I shall not go into them here. However, in a speech to American bankers and businessmen, the President did say: 'But you and I know that this won't be enough. Capital will still flow abroad to the advanced countries from your banks and your businesses if you let it.'

"Leading bankers and businessmen have therefore been asked to cooperate with the administration in a campaign to restrict short-term loans and direct long-term investment abroad.

"What is there for us to say at this stage about American policy, which is not just a domestic affair for the United States but is also of major concern to the community and the rest of the world?

"First, we can say that things are moving in the right direction. I do not wish to prejudice the matter, but I would simply say we trust and believe that U.S. policy will lead to a substantial and lasting reduction in the deficit if certain internal measures are taken at the same time.

EEC MONETARY COMMITTEE SUGGESTIONS ENDORSED

"We can but endorse without reservation what the EEC Monetary Committee said in its latest report, from which I will quote briefly:

" 'There is therefore no doubt that capital transactions are the item which calls for attention if the American deficit is to be corrected. It is hard to see how this can be done as long as the American capital markets enjoy their present ample supplies of funds.'

"We agree with the Monetary Committee in thinking that a tightening of the American financial markets, one result of which would be to raise long-term interest rates, is among the conditions without which it will not be possible to reestablish equilibrium on a lasting basis.

"We think that slowing down American direct investment in the industrially developed countries would also contribute to the general health of our economies. It would be useful if the Community countries adopted a common attitude to these transactions. There is no question—I wish to make this clear to avoid any misunderstanding—of closing Europe to such investment, which is more often than not highly beneficial to our countries, but simply of avoiding excess. Community action in this direction could consist of a detailed statistical check on direct investments from nonmember countries, supplemented by machinery for consultation between the governments and the Commission on national policies in this sphere. This presupposes, of course, that all member states supply each other with the necessary information. In this way we should be moving in the direction already required under article 72 of the Treaty of Rome."

'GOLD STANDARD' TERM EXPLAINED

"This brings me to the question of the international monetary system, which is to-

day the subject of lively debate. We believe that such discussion is, in part, the result of certain misunderstandings, and these must first be dispelled.

"The expression 'gold standard' has been used in several different senses, among which it is essential to distinguish. Certain persons, who in any case do not occupy positions of responsibility in the conduct of public affairs, consider that it means a pure and simple return to the monetary machinery that existed before the First World War, which was characterized by the almost exclusive use of gold in international payments with, as a result, serious and rapid deflation in a debtor country which did not possess large reserves. This is a system which we rule out.

"For others, the gold standard, which could also be called the reformed gold exchange standard, means a return to a stricter monetary system and to the ideas which underlay the Bretton Woods agreements made during the Second World War.

"These ideas affirm the primacy of gold in the final financing of balance-of-payments imbalances, but accept the maintaining, and perhaps even the widening, of international credit facilities, provided these facilities do not in practice remove all need for the debtor country to take the necessary steps to insure the speediest possible return to equilibrium. This would mean maintaining the machinery of monetary cooperation represented by the IMF, the Group of Ten, and the short-term credits which central banks make available to each other.

"These ideas do not, however, allow the future accumulation by the central banks of large surpluses in foreign currency.

INTERNATIONAL LIQUIDITY EXAMINED

"The Executive Commission is inclined to share these ideas. The weaknesses of the gold exchange standard, as applied at present, are now universally recognized, and it appears that the arbitrary creation of international liquidity, not in accordance with the needs of international trade but following disequilibrium in the balance of payments of this or that country, has now reached a limit which it would be dangerous to exceed.

"Even if a general agreement could be reached on such a basis, two additional questions would arise on which, with your permission, I should rather not give you answers today, though I can make a few introductory points:

"1. What should be the fate of balances at present held in foreign currencies by the central banks? No sudden decision should be taken. The solution should be sought without haste, in view of the debtor and creditor countries' need for security and in order to avoid causing a considerable contraction in the volume of international liquidity.

"2. What would in the future be the means used to create the additional international liquidity that will be made necessary by the expansion—and we hope it will be rapid—of trade of every kind between the countries of the free world if, as is probable, the production of gold should prove insufficient?

"We do not think there should be an increase in the price of gold, since this might undermine confidence in national currencies. The creation of additional international liquidity should be done on the basis of agreed criteria and amounts, so as to exclude the maintenance, over lengthly periods, of disequilibriums in the balance of payments, except in the case of developing countries, which could cover their deficits by means of long-term capital imports."

COMMUNITY'S ROLE INDICATED

"I would be disappointing you if I did not say a few words on the role that the Community can and must play in solving the problems I have been speaking about. Its role is already a considerable one. I refer again to our Monetary Committee's recent report.

"It states that 'at the end of 1964, outstanding drawings on the IMF totaled $2,622 million. Of this total, $857 million was financed by IMF sales of gold, while of the balance of $1,765 million, $1,437 million—more than 80 percent—was in the form of drawings on Community currencies.'

"The Community's opportunity for action at world level would be considerably enlarged if its own monetary units were reinforced. This is already a reality, but it may still be called in question again. I quote the Monetary Committee once more:

" 'It [the Monetary Committee] concludes that progressive integration within the EEC, and particularly the tendency for the respective prices of a growing number of products to settle at much the same level throughout the Community will make a devaluation or revaluation increasingly difficult and unlikely. The establishment of a single agricultural market will strengthen this trend. However, the Committee considers that even so it would still be possible for a state to adjust the exchange rate of its currency, should this prove necessary in order to safeguard, for example, the smooth working of the Common Market itself.'

"This description of the present situation corresponds to the facts. Our task is now to insure that devaluation or revaluation, which today are only difficult and unlikely, shall become impossible and useless.

MOVE TOWARD MONETARY UNION CONSIDERED ESSENTIAL

"The executive commission is already at work on this. It is seeking a solution along several lines at the same time, realizing that in each of them decisions will have to be taken which together will form an indivisible whole. At this stage I shall do no more than indicate the lines we are following:

"1. We are seeking, on the basis of methods already used last year to deal with economic imbalances, to intensify coordination of the economic and financial policies pursued in the member states by endeavoring to work out common norms for such matters as budgetary policy, credit policy, and, as soon as possible, incomes policy.

"2. We are seeking to achieve complete unity as regards capital movements, whether for long-term or short-term investment.

"3. We aim at harmonizing progressively the instruments of monetary policy.

"4. We are seeking to strengthen the solidarity of member states in the matter of international liquidity reserves and their cooperation in international monetary operations, until the day when the reserves of each country can be considered as part of a single reserve.

"The movement toward monetary union is essential for the community itself and also for the future of the international monetary system, for if monetary cohesion reaches the point where the Common Market is looked upon from the outside as a single unit, the search for international equilibrium will be simplified by a reduction in the number of decision-taking centers and by the opportunities stemming from partnership among equals.

"I propose to make a statement later to the Parliament on the action program the Commission is to adopt in order to achieve the aims I have just summarized."

Mr. WOLFF. Mr. Chairman, I am an advocate of the gradual substitution of trade for aid. My support of this measure to increase this country's commitment to International Monetary Fund quota is premised on my belief that world trade is a major factor in establishing viable economies in the underdeveloped countries.

That world trade is increasing rapidly is evidenced by the fact that it has increased by 50 percent since 1959. The IMF is certainly one of the major instruments in facilitating this increase in trade and, thus, it has my support.

I would make one caveat in my support of this measure which I hope my colleagues would take notice. Our balance-of-payment problem must not be allowed to step unnoticed into the background when we make decisions to increase American gold commitments. While it is true that American gold reserves are not deeply affected by this increase in our quota—all IMF members are subject to equal percentage quota increases—we must not lull ourselves into a false sense of security that we are embarking on a program which will solve our gold problem.

Our gold contribution to the IMF is coupled with the right to draw this gold back when we need it. International bankers call this right the "U.S. Gold Tranche" which allows our country virtually automatic drawing rights at the Fund. There will be no deterioration in our balance of payments, since our "gold tranche" position in the Fund is regarded as part of our international reserves.

But if we are to lend our support to methods which ease international trade and thus encourage growth and stability throughout the world, I believe we should demand that other countries start assuming the burden we have shouldered for so long at so great an expense. Let the call go out that this Nation will cooperate and share the burdens of defense, and economic development, but that we must be joined by the other powers.

Our aid programs and our defense programs which have contributed so greatly to our gold deficits must be shared by other countries. Each time our cooperation is needed to achieve greater growth for the other powerful countries of the world the above facts must be driven home and if need be, we should call for a formalized acquiescence to this policy.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act, as amended (22 U.S.C. 286—286k–1), is amended by adding at the end thereof the following new section:

"SEC. 20. (a) The United States Governor of the Fund is authorized to consent to an increase of $1,035,000,000 in the quota of the United States in the Fund.

"(b) In order to pay the increase in the United States subscription to the Fund provided for in this section, there is hereby authorized to be appropriated $1,035,000,000, to remain available until expended."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair,

Mr. ASPINALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6497) to amend the Bretton Woods Agreements Act to authorize an increase in the International Monetary Fund quota of the United States, pursuant to House Resolution 338, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

MOTION TO RECOMMIT

Mr. COLLIER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. COLLIER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. COLLIER moves to recommit the bill H.R. 6497 to the Committee on Banking and Currency.

Mr. PATMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. HALLECK. Mr. Speaker, is the vote on the motion to recommit or on passage?

The SPEAKER. It is on recommittal.

Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken and there were—yeas 113, nays 275, not voting 45, as follows:

[Roll No. 78]

YEAS—113

Abbitt	Broyhill, Va.	Erlenborn
Abernethy	Buchanan	Findley
Adair	Byrnes, Wis.	Ford, Gerald R.
Andrews, Glenn	Callaway	Gathings
Andrews, N. Dak.	Cederberg	Griffin
Arends	Chamberlain	Gross
Ashbrook	Clancy	Gubser
Ashmore	Clausen, Don H.	Gurney
Ayres	Collier	Haley
Baldwin	Colmer	Hall
Baring	Corbett	Halleck
Bates	Cramer	Hansen, Idaho
Battin	Cunningham	Harsha
Belcher	Curtin	Harvey, Ind.
Bell	Dague	Hosmer
Berry	Davis, Wis.	Hutchinson
Betts	Derwinski	Johnson, Calif.
Bolton	Devine	Johnson, Pa.
Bow	Dickinson	Jonas
Bray	Dole	King, N.Y.
Brock	Dorn	Laird
Broomfield	Dowdy	Langen
Brown, Ohio	Duncan, Tenn.	Latta
Broyhill, N.C.	Edwards, Ala.	Lennon
	Ellsworth	McCulloch
		MacGregor
Martin, Ala.	Quillen	Teague, Calif.
Martin, Nebr.	Reid, Ill.	Thomson, Wis.
Michel	Reifel	Tuck
Minshall	Reinecke	Utt
Moore	Robison	Walker, Miss.
Morse	Roudebush	Watkins
Morton	Schneebeli	Whalley
Mosher	Secrest	Whitten
Nelsen	Shriver	Williams
O'Konski	Skubitz	Wyatt
Passman	Smith, Calif.	Wydler
Pelly	Smith, N.Y.	Younger
Poff	Springer	

NAYS—275

Adams	Gonzalez	Nedzi
Addabbo	Grabowski	O'Hara, Ill.
Albert	Gray	O'Hara, Mich.
Anderson, Ill.	Green, Pa.	Olsen, Mont.
Anderson, Tenn.	Greigg	Olson, Minn.
Andrews, George W.	Grider	O'Neal, Ga.
Annunzio	Griffiths	O'Neill, Mass.
Aspinall	Grover	Ottinger
Bandstra	Hagan, Ga.	Patman
Barrett	Hagen, Calif.	Patten
Beckworth	Hamilton	Pepper
Bennett	Hanley	Perkins
Bingham	Hansen, Iowa	Philbin
Blatnik	Hansen, Wash.	Pickle
Boggs	Hardy	Pike
Bolling	Harris	Pirnie
Bonner	Harvey, Mich.	Poage
Brademas	Hathaway	Powell
Brooks	Hays	Price
Brown, Calif.	Hechler	Pucinski
Burke	Helstoski	Purcell
Burleson	Henderson	Quie
Burton, Calif.	Herlong	Race
Byrne, Pa.	Hicks	Randall
Cabell	Holifield	Redlin
Cahill	Horton	Reid, N.Y.
Callan	Howard	Resnick
Cameron	Hull	Reuss
Carey	Hungate	Rhodes, Ariz.
Carter	Huot	Rhodes, Pa.
Casey	Irwin	Rivers, Alaska
Celler	Jacobs	Rivers, S.C.
Chelf	Jennings	Roberts
Clark	Joelson	Rodino
Cleveland	Johnson, Okla.	Rogers, Colo.
Clevenger	Jones, Mo.	Rogers, Fla.
Cohelan	Karsten	Roncalio
Conable	Karth	Rooney, N.Y.
Conte	Kastenmeier	Rooney, Pa.
Conyers	Kee	Roosevelt
Corman	Keith	Rosenthal
Craley	Kelly	Rostenkowski
Daddario	Keogh	Roush
Daniels	King, Calif.	Roybal
Davis, Ga.	King, Utah	Rumsfeld
Dawson	Kirwan	Ryan
de la Garza	Kluczynski	Satterfield
Delaney	Kornegay	St Germain
Denton	Krebs	Saylor
Diggs	Kunkel	Scheuer
Dingell	Landrum	Schmidhauser
Donohue	Leggett	Schweiker
Dow	Lindsay	Selden
Downing	Long, Md.	Senner
Dulski	Love	Shipley
Duncan, Oreg.	McClory	Sickles
Dwyer	McDade	Sikes
Dyal	McDowell	Slack
Edmondson	McFall	Smith, Iowa
Edwards, Calif.	McGrath	Smith, Va.
Evans, Colo.	McMillan	Stafford
Evins, Tenn.	McVicker	Staggers
Fallon	Macdonald	Stalbaum
Farbstein	Machen	Stanton
Farnum	Mackay	Stephens
Fascell	Mackie	Stratton
Feighan	Madden	Stubblefield
Fino	Mahon	Sullivan
Fisher	Mailliard	Sweeney
Flood	Marsh	Talcott
Flynt	Martin, Mass.	Taylor
Fogarty	Matsunaga	Teague, Tex.
Foley	Matthews	Tenzer
Ford, William D.	Meeds	Thomas
Fountain	Miller	Thompson, La.
Fraser	Mills	Thompson, N.J.
Frelinghuysen	Minish	Thompson, Tex.
Friedel	Mink	Todd
Fulton, Pa	Mize	Trimble
Fulton, Tenn.	Moeller	Tupper
Fuqua	Monagan	Tuten
Gallagher	Moorhead	Ullman
Garmatz	Morgan	Vanik
Gettys	Morris	Vigorito
Gibbons	Moss	Vivian
Gilbert	Multer	Walker, N. Mex.
Gilligan	Murphy, Ill.	Watts
	Murphy, N.Y.	Weltner
	Murray	White, Tex.
	Natcher	Whitener
Widnall	Wilson, Charles H.	Wright
Willis	Wolff	Yates
Wilson, Bob		Zablocki

NOT VOTING—45

Ashley	Hawkins	Pool
Boland	Hébert	Rogers, Tex.
Burton, Utah	Holland	Ronan
Clawson, Del	Ichord	St. Onge
Cooley	Jarman	Schisler
Culver	Jones, Ala.	Scott
Curtis	Lipscomb	Sisk
Dent	Long, La.	Steed
Everett	McCarthy	Toll
Farnsley	McEwen	Tunney
Giaimo	Mathias	Udall
Goodell	May	Van Deerlin
Green, Oreg.	Morrison	Waggonner
Halpern	Nix	White, Idaho
Hanna	O'Brien	Young

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mrs. May for, with Mr. Toll against.
Mr. Lipscomb for, with Mr. Nix against.
Mr. Curtis for, with Mr. St. Onge against.

Until further notice:

Mr. Dent with Mr. Culver.
Mr. Hébert with Mr. Farnsley.
Mr. Long of Louisiana with Mr. Ashley.
Mr. Cooley with Mr. Tunney.
Mr. Udall with Mr. White of Idaho.
Mrs. Green of Oregon with Mr. Holland.
Mr. Hanna with Mr. Ronan.
Mr. Giaimo with Mr. Hawkins.
Mr. Ichord with Mr. Everett.
Mr. Boland with Mr. O'Brien.
Mr. Schisler with Mr. Rogers of Texas.
Mr. Sisk with Mr. Morrison.
Mr. Waggonner with Mr. Jarman.
Mr. Pool with Mr. Mathias.
Mr. Van Deerlin with Mr. McEwen.
Mr. Steed with Mr. Halpern.
Mr. Scott with Mr. Goodell.
Mr. McCarthy with Mr. Del Clawson.
Mr. Young with Mr. Burton of Utah.

Mr. TUTEN and Mr. GETTYS changed their votes from "yea" to "nay."

Mr. MINSHALL changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

Mr. PATMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 301, nays 88, not voting 44, as follows:

[Roll No. 79]

YEAS—301

Abbitt	Brooks	Cramer
Adams	Broomfield	Curtin
Addabbo	Brown, Calif.	Daddario
Albert	Broyhill, Va.	Dague
Anderson, Ill.	Burke	Daniels
Anderson, Tenn.	Burton, Calif.	Davis, Ga.
Andrews, N. Dak.	Byrne, Pa.	Dawson
Annunzio	Byrnes, Wis.	Delaney
Arends	Cabell	Denton
Aspinall	Cahill	Diggs
Ayres	Callan	Dingell
Bandstra	Cameron	Donohue
Barrett	Carey	Dow
Bates	Carter	Downing
Beckworth	Celler	Dulski
Bell	Chelf	Duncan, Oreg.
Bennett	Clark	Dwyer
Bingham	Cleveland	Dyal
Blatnik	Clevenger	Edmondson
Boggs	Cohelan	Edwards, Calif.
Bolling	Conable	Erlenborn
Bolton	Conte	Evans, Colo.
Brademas	Conyers	Evins, Tenn.
Brock	Corbett	Fallon
	Corman	Farbstein
	Craley	Farnum

Fascell	Kunkel	Rhodes, Pa.
Feighan	Laird	Rivers, Alaska
Findley	Landrum	Robison
Fino	Leggett	Rodino
Flood	Lindsay	Rogers, Colo.
Flynt	Long, Md.	Rogers, Fla.
Fogarty	Love	Roncalio
Foley	McClory	Rooney, N.Y.
Ford, Gerald R.	McDade	Rooney, Pa.
Ford, William D.	McDowell	Roosevelt
	McEwen	Rosenthal
Fraser	McFall	Rostenkowski
Frelinghuysen	McGrath	Roush
Friedel	McMillan	Roybal
Fulton, Pa.	McVicker	Rumsfeld
Fulton, Tenn.	Macdonald	Ryan
Fuqua	MacGregor	Satterfield
Gallagher	Machen	St Germain
Garmatz	Mackay	Saylor
Gettys	Mackie	Scheuer
Gibbons	Madden	Schmidhauser
Gilbert	Mahon	Schneebeli
Gilligan	Mailliard	Schweiker
Gonzalez	Marsh	Senner
Grabowski	Martin, Mass.	Shipley
Gray	Matsunaga	Shriver
Green, Pa.	Matthews	Sickles
Greigg	Meeds	Skubitz
Grider	Miller	Slack
Griffin	Mills	Smith, Iowa
Griffiths	Minish	Smith, N.Y.
Grover	Mink	Smith, Va.
Hagan, Ga.	Mize	Springer
Hagen, Calif.	Monagan	Stafford
Halleck	Moorhead	Staggers
Hamilton	Morgan	Stalbaum
Hanley	Morris	Stanton
Hansen, Idaho	Morse	Stephens
Hansen, Iowa	Morton	Stratton
Hansen, Wash.	Mosher	Stubblefield
Hardy	Moss	Sullivan
Harris	Multer	Sweeney
Harvey, Mich.	Murphy, Ill.	Talcott
Hathaway	Murphy, N.Y.	Taylor
Hays	Murray	Tenzer
Hechler	Natcher	Thomas
Helstoski	Nedzi	Thompson, La.
Herlong	O'Hara, Ill.	Thompson, N.J.
Hicks	O'Hara, Mich.	Thompson, Tex.
Holifield	Olson, Minn.	Todd
Horton	O'Neal, Ga.	Trimble
Hosmer	O'Neill, Mass.	Tuck
Howard	Ottinger	Tupper
Hull	Patman	Tuten
Hungate	Patten	Ullman
Huot	Pelly	Vanik
Irwin	Pepper	Vigorito
Jacobs	Perkins	Vivian
Jennings	Philbin	Walker, N. Mex.
Joelson	Pickle	Watkins
Johnson, Okla.	Pike	Watts
Johnson, Pa.	Pirnie	Weltner
Jones, Mo.	Poage	Whalley
Karsten	Poff	White, Tex.
Karth	Powell	Widnall
Kastenmeier	Price	Willis
Kee	Pucinski	Wilson, Bob
Keith	Purcell	Wilson, Charles H.
Kelly	Quie	
Keogh	Race	Wolff
King, Calif.	Randall	Wright
King, Utah	Redlin	Wyatt
Kirwan	Reid, N.Y.	Wydler
Kluczynski	Resnick	Yates
Kornegay	Reuss	Zablocki
Krebs	Rhodes, Ariz.	

NAYS—88

Abernethy	Clausen, Don H.	Hébert
Adair	Collier	Henderson
Andrews, George W.	Colmer	Hutchinson
	Cunningham	Johnson, Calif.
Andrews, Glenn	Davis, Wis.	Jonas
Ashbrook	de la Garza	King, N.Y.
Ashmore	Derwinski	Langen
Baldwin	Devine	Latta
Baring	Dickinson	Lennon
Battin	Dole	McCulloch
Belcher	Dorn	Martin, Ala.
Berry	Dowdy	Martin, Nebr.
Betts	Duncan, Tenn.	Michel
Bonner	Edwards, Ala.	Minshall
Bow	Ellsworth	Moore
Bray	Fisher	Nelsen
Brown, Ohio	Fountain	O'Konski
Broyhill, N.C.	Gathings	Olsen, Mont.
Buchanan	Gross	Passman
Burleson	Gubser	Quillen
Callaway	Gurney	Reid, Ill.
Casey	Haley	Reifel
Cederberg	Hall	Reinecke
Chamberlain	Harsha	Rivers, S.C.
Clancy	Harvey, Ind.	Roberts
		Roudebush
Secrest	Teague, Tex.	Whitten
Selden	Thomson, Wis.	Williams
Sikes	Utt	Younger
Smith, Calif.	Walker, Miss.	
Teague, Calif.	Whitener	

NOT VOTING—44

Ashley	Hawkins	Rogers, Tex.
Boland	Holland	Ronan
Burton, Utah	Ichord	St. Onge
Clawson, Del	Jarman	Schisler
Cooley	Jones, Ala.	Scott
Culver	Lipscomb	Sisk
Curtis	Long, La.	Steed
Dent	McCarthy	Toll
Everett	Mathias	Tunney
Farnsley	May	Udall
Giaimo	Moeller	Van Deerlin
Goodell	Morrison	Waggonner
Green, Oreg.	Nix	White, Idaho
Halpern	O'Brien	Young
Hanna	Pool	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mrs. May for, with Mr. Lipscomb against.
Mr. Morrison for, with Mr. Curtis against.

Until further notice:

Mr. Culver with Mr. Goodell.
Mr. Tunney with Mr. Del Clawson.
Mr. Giaimo with Mr. Halpern.
Mr. Farnsley with Mr. Burton of Utah.
Mr. St. Onge with Mr. Mathias.
Mr. Waggonner with Mr. Everett.
Mr. Dent with Mr. Long of Louisiana.
Mr. Ichord with Mr. Holland.
Mr. O'Brien with Mr. Pool.
Mr. White of Idaho with Mr. Toll.
Mr. Udall with Mr. Hawkins.
Mr. Sisk with Mrs. Green of Oregon.
Mr. Rogers of Texas with Mr. McCarthy.
Mr. Steed with Mr. Scott.
Mr. Schisler with Mr. Ashley.
Mr. Moeller with Mr. Nix.
Mr. Young with Mr. Hanna.
Mr. Boland with Mr. Roman.
Mr. Cooley with Mr. Van Deerlin.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] be allowed to extend his remarks and include the report of the Committee on Banking and Currency on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONSERVATION AND USE OF THE PUBLIC LANDS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to address the House at this point in the RECORD and include a statement by the Under Secretary of the Interior, John A. Carver, Jr.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, a month ago this week an important address was made by one of the top members of this administration, touching upon many fields of public land management with particular emphasis on the advisory board system utilized in the administration of grazing districts established under the Taylor Grazing Act. Despite the importance of these remarks, they apparently were given no publicity at the time and have not been, to my knowledge, published anywhere.

The remarks were delivered by Under Secretary of the Interior John A. Carver, Jr., and were presented to the annual meeting of the New Mexico Cattle Growers Association. Mr. Carver had only recently become Under Secretary but the association knew him well from its activities because he had for 4 years been responsible for public land management as Assistant Secretary of the Interior. Likewise, Mr. Carver knew the association well and knew the matters that concerned its members as well as the members of similar associations throughout the West.

The Under Secretary addressed himself specifically and directly to the problems with which the stockmen generally are concerned. For this reason I commend the reading of it to all the Members of this body so that they may have the background for consideration of matters that are brought up on the floor and, under leave granted, include the text of Under Secretary Carver's address at this point in the RECORD:

REMARKS OF UNDER SECRETARY OF THE INTERIOR JOHN A. CARVER, JR., TO THE ANNUAL MEETING OF THE NEW MEXICO CATTLE GROWERS ASSOCIATION IN ALBUQUERQUE, N. MEX., MARCH 29, 1965

Although the President promoted me to the position of Under Secretary 3 months ago, and although I have a different and wider scope of office, I still carry the portfolio of public lands, for my successor as Assistant Secretary for Public Land Management has not been appointed. So my personal interest in public land management has not diminished and I hope that my association with groups such as yours will be as open and friendly as ever.

Great changes are occurring in the conservation movement in this country. We are entering an era that President Johnson has called the new conservation.

I think I am as aware as anyone of the sensitivity of Western people to high-level pronouncements on the conservation theme. I am sure that many of my Western friends are asking the question, "What does the new conservation mean to those of us who are accustomed to equating conservation with sustained yields of material things—range management, forest management, hydroelectric power, mineral development, and the like?"

Some may ask, "Have aesthetic considerations preempted the field over the practical considerations of wise husbandry of material resources?"

Clearly not.

The President's emphasis on natural beauty refocuses the spotlight on conservation. While the old work goes on, there is a new challenge, a realization of the broadened

view that must be given in the face of decaying city centers, exploding suburbs, multiplying superhighways, and an alarming crime rate.

We have not forgotten the great unfinished agenda of conservation in the more conventional theme. Our efforts in these directions have not diminished and must not diminish.

During the past week in Washington, D.C., there was held the silver anniversary meeting of the National Advisory Board Council for Public Lands. In addressing the Council last week, I reviewed with them some of the things that I had brought to their attention in my 4 years as Assistant Secretary for Public Land Management.

Early in the new administration we built the foundation for good relationships with all the users of the public lands, commercial and noncommercial. We reaffirmed our confidence in the National Advisory Board Council, and we broadened its membership and that of the State and National Boards. I emphasized that the basic, keystone structure in the advisory organization is the district advisory board, a creative of the Congress—that the State and National Boards had gained regulatory status only as representative extensions of the statutory district boards.

I touched on the concept of "multiple use" and summed it up by saying that it is really "prudent management." There is good precedent for this, going back to Theodore Roosevelt, who said:

"All these various uses of our natural resources are so closely connected that they should be coordinated, and should be treated as part of one coherent plan and not in haphazard and piecemeal fashion."

The State boards and the National Council, following their multiple-use reorganizations, stand today as organizations capable of treating problems in a coordinated way and capable of presenting coherent recommendations.

In 1962 here at Albuquerque the grazing fee problem was faced squarely. I personally sincerely appreciate the public service provided by the Advisory Board system in the year that followed as the "democratic process" unfolded on that difficult problem.

In 1963, I saw no reason why the Department and the boards could not come a great deal closer to understanding how to estimate grazing capacity, how to schedule increases or decreases in permitted grazing use, how to provide for administrative review of actions, and how to preserve the exercise of sound commonsense at the grassroots level.

I said that a decent conservation job on the public's land is possible only with the cooperation of those who share in its use and that this cooperative task demands the best efforts of all of us.

Then in 1964 the issue of land tenure was very much on our minds—one of the tough kinds of questions the Council had undertaken beginning in November of 1962.

Just a week before the Department was asked where it stood on this matter. As it was presented with a divided report from the National Advisory Board Council, the House of Representatives overwhelmingly approved authorization of the bill to establish the Public Land Law Review Commission and had sent the bill to the Senate. In this framework, I suggested that the land tenure question would be a critical issue of the Review Commission's work. Furthermore, the Council's relationship to the new Commission, when it should come into being, was a matter of great importance.

I said that the Council's recommendations before the Commission would carry weight about in proportion to the extent that its recommendations were based on hard facts and sound logic and were widely supported within all elements of the Council and its constituencies.

The Public Land Law Review Commission was authorized by the Congress, and the bill was signed into law last September. It has the task of matching theory with reality and reaching common ground from the public interest standpoint.

It is probable that in the new conservation an even wider choice of alternative decisions will be available than ever before. The available alternatives for action must be carefully weighed and considered. The public is entitled to know what the alternatives are, to debate and discuss them, and to participate in the process of making a choice.

We have all heard the cry that further extensions of outdoor recreation on the public lands would be "an economic step backward."

Much of the opposition to added outdoor recreation is based on a belief that established business operations would be upset and that wages, profits, and taxes would be reduced in the locality or the region.

Commercial production would, of course, be eliminated or reduced on the site of lands reallocated to noncommercial use. But allowance must be made for offsetting effects and for other elements in the overall conservation program.

One of the elements in the overall program that must not be overlooked is the development and rehabilitation of wealth-producing natural resources. Of special interest to range management is the fact that forage resources on many public lands can be and are being developed to offset forage lost on lands no longer suited to or used for grazing.

Project areas demonstrate that striking gains in capacity can be economically achieved, and the overall addition is expected to return in the order of millions of dollars more per year to the local stockmen, in the form of added sales of products.

The Bureau of Land Management a few years ago estimated that 2 million acres of Bureau of Land Management lands could be economically reseeded in a 6-year program. Brush control on 2 million acres, 14,500 miles of fencing, and 7,000 water control and conservation sites were projected, to be followed by further work in later years.

Some have indicated a belief that as much as 25 million acres of western brushlands in various classes of ownership can be economically seeded to grass in the long-range program.

The challenge created for the stockmen—use of public lands—well was stated in a recent article in the June 1964 issue of American Cattle Producer:

"Federal land adminstrators do not create these demands; they merely try to resolve the problems of increased need for our restricted resources. The stockman's problem is no longer one of how he can keep the other uses out, but rather a question of how he can keep grazing as an important part of the multiple use of public lands."

This administration believes in the future of domestic livestock grazing on public lands. It has demonstrated an intention to protect and stabilize domestic livestock grazing use at the same time as other worthy uses are protected and stabilized in a manner that will serve the public interest.

Another event occurring in Washington last week was a public hearing on rulemaking proposed by the Bureau of Land Management under two 1964 acts of Congress. The Public Sales Act, and the Classification and Multiple Use Act. Witnesses reflecting many shades of western opinion were heard in Washington, but we have decided to hold further hearings in the West to allow others to be heard on these very important regulations.

One of the hearings has been set for Albuquerque on Wednesday, April 14.

I know that you are all interested in rumors about changes in the organization of the Bureau of Land Management districts and offices. The rumors reflect the activity based upon our search for ways and means of effective economies, an effort I know you all support. But unrealistic changes will not be made in the name of economy. And economy to the public is just as important as economy to the Government.

Director Stoddard has promised that any proposed change will be brought formally before the appropriate district board if it has not already been presented. The advice of the board will be carefully considered.

There may, up to now, have been a presumption that the geography of the boards had to coincide in all cases with the geography of the Bureau of Land Management district office area of jurisdiction.

This need not be the case. The greatest merit of the district-level board—its familiarity with local facts and opinion—might be lost if it covered too large an area. We must also bear in mind that District office areas do not coincide with grazing district boundaries.

Another one of our responsibilities that affects many of you is our new responsibility under the Wilderness Act of 1964.

So far as the national forest wilderness is concerned—9.1 million acres now in the System—we are charged with continued administration of the U.S. mining laws and the Mineral Leasing Act. We are drafting regulations to carry in effect special provisions of the act affecting minerals. When the regulations are publicly announced, they will be open to public comment and under our customary procedure all comments received are carefully considered before the regulations are finally written and adopted.

With regard to national forest primitive areas—5.5 million acres—our geologists are starting mineral surveys, consisting mainly of mapping and reconnaissance. Reports of this work will be scheduled to coincide with reviews of these areas to be submitted by the Secretary of Agriculture on the question whether they should be added to the wilderness system by act of Congress.

With regard to Department of the Interior lands, both the National Park Service and the Fish and Wildlife Service are beginning reviews of "roadless areas" under their management. When these reviews are completed, public hearings will be held, and public views will be carefully taken into account before recommendations are submitted to the President.

I will take a minute also to comment on problems of the grazing use of public lands at the McGregor missile range. Lands in this 660,000-acre range were reserved for the military in 1957 with a proviso that any grazing would be administered by BLM under the Taylor Act. Actually, all base ranch properties were bought up and all grazing was eliminated by the military—at least on paper. In fact, however, unauthorized use has continued at a level of 6,000 to 8,000 thousand head of cattle and horses.

The question now is how to bring grazing back under control. BLM officials have proposed that grazing privileges be offered on the basis of bids without preference bidders.

Conservation in this decade, and in the longer future, is going to involve weighty judgments affecting wider segments of the community and the Nation. These judgments are too important to be left to the experts alone. Social judgments in a democracy require involvement of the public.

Secretary Udall was entirely correct in telling the National Woolgrowers in January of this year that there is heartening evidence that the lines traditionally separating the users on the one hand and the protectionists on the other are being softened by reason and understanding. He was correct in judging that the relationship between Government and users of public lands had been improved. We intend to increase and widen

these lines of communication, and we know that the cattlemen's organizations will continue to cooperate with us.

This kind of progress in reason and understanding is vital to the President's concept of the new conservation.

I would like to conclude this presentation this morning by going back to the subject of the Public Land Law Review Commission. I have said many times that the passage of this legislation was one of the truly significant accomplishments of the 88th Congress or of any Congress. I am proud that I had the opportunity of assisting in the development of the concept for this Commission by working closely with Chairman WAYNE ASPINALL. Mr. ASPINALL said last week that he was "optimistic that the Commission will be able to organize and start its work before the end of this fiscal year," in other words, before June 30, 1965. This is heartening news.

Mr. ASPINALL made another observation which I would like to repeat:

"The establishment of the Public Land Law Review Commission, however, does not mean that all problems involved in the public lands must await the completion of the Commission study. Granted that the congressional committees involved will be reluctant to consider general legislation during the period of study, we have made it clear, from the time that the study was originally proposed, that matters of urgency should be and will be considered as they arise."

And he said in concluding his speech before the meeting of the National Petroleum Council in Washington on March 25, "I am confident that both the Public Land Law Review Commission and the Congress will act, not only in what it considers to be the public interest, but within the framework of our free enterprise-private capital-business system."

The Public Land Law Review Commission will be an instrumentality for the creativity which the President seeks as the hallmark of the Federal system under his leadership.

For creativity, and the highest order of statesmanship is going to be necessary to meet the demands upon our inelastic land base—not just the Federal Government's land base, but the land base generally.

In about 3 years, we will reach the 200 million we have said would come in the seventies. And, say the population experts, it is possible by the year 2010 that the population may conceivably exceed the 400 million mark. Most of our planning has been for 300 million by that time.

The need for creativity is correspondingly acute. President Johnson, in his Ann Arbor address, summarized the challenge:

"The solution to these problems does not rest on a massive program in Washington, nor can it rely solely on the strained resources of local authority. They require us to create new concepts of cooperation, a creative federalism, between the National Capital and the leaders of local communities."

NATIONAL RAISIN WEEK

Mr. HAGEN of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAGEN of California. Mr. Speaker, the last Sunday in April means the start of daylight saving time in many parts of the country. Since 1909, however, it has also marked the beginning of National Raisin Week.

Fifty-six years ago the people of Fresno, Calif., sought national recognition for the raisin industry which, at that time, had been in existence some 36 years. So they established National Raisin Week—the oldest such food week observed in America.

Today I am happy to call the attention of the Members to this observance and to join with my colleague, the gentleman from California [Mr. SISK] in inviting the Members to enjoy raisin pie at lunch in the House dining room on Wednesday, April 28. Through the courtesy of the California Raisin Advisory Board, Mr. SISK and I will also have the pleasure of sending each of the Members some sample packs of energy-giving, taste-surprising raisins.

In California, and particularly in the San Joaquin Valley, this product weighing only a fraction of an ounce delivers a potent economic punch. To begin with, all of the raisin crop in the United States is grown in the San Joaquin Valley lying between the Sierra Nevada Mountains and the Coast Range which rims the shores of the Pacific. Hot and rainless summers, rich alluvial land, and plenty of stored water for irrigation make the valley one of perhaps a dozen places in the world where raisins can be grown.

The valley's lush raisin vineyards, all of which are located within a 75-mile radius of Fresno, produce more than 200,000 tons of the sun-dried product annually. This yearly crop is valued at $50 million in the field. The raisin industry as a whole is rated as a quarter-of-a-billion-dollar business. By any standard, a quarter of a billion dollars is big business.

Behind this business and the 100,000 growers, packers, and employees who are America's raisin industry is the California Raisin Advisory Board. The board was formed in 1949 under a State marketing order and represents all growers and processors of raisins.

The broad objective of the board is to give advertising, research, and promotion support to all raisins produced and processed by some 6,000 growers and within 7 vineyard districts—and to all packers, small, medium, and large—from all of Raisinland.

Comprising "Raisinland" are the counties of Fresno, Madera, and Tulare plus parts of the adjacent counties of Kern, Kings, Merced, San Joaquin, and Stanislaus. However, the promotional program of the California Raisin Advisory Board extends to all sections of the Nation.

Specifically, the mission of the board is to build greater consumer acceptance and use of raisins. This requires preparation and distribution of information material that is attractive as well as educational and helpful. It also means extensive advertising direct to the consumer and to the trade to encourage better displays and positions for raisins to make them conveniently available to consumers. Merchandising methods developed by the California Raisin Advisory Board have helped the trade to make greater earnings through increased sales of raisins and other go-along foods.

There are many ways in which the California Raisin Advisory Board and the raisin industry are contributing to the health of our people and the economic strength of our Nation.

For example, homemakers throughout the country benefit from the raisin informational and educational material distributed throughout the home economics field, and in the food pages of the Nation's newspapers and magazines.

Our schoolchildren benefit from the raisin board's participation in the national school lunch program with demonstrations of raisin food preparation by a trained home economist. They benefit also, of course, from the health producing qualities of the raisins themselves.

The Nation's bakers, grocers, and restaurant operators benefit from the merchandising and sales materials prepared by the raisin board.

Finally, other food industries benefit from the tie-in promotions of the board showing how raisins go along with other foods.

During the observance of National Raisin Week in past years, my colleague the gentleman from California [Mr. SISK] and I have taken the opportunity to point out not only the accomplishments but some of the principal problems of the raisin industry. We have noted that raisins are one of America's most important nonbasic, specialty crops which stand to gain—or lose—so much in today's changing world trade picture. We have emphasized that it is imperative that the raisin industry in this country retain the opportunity to market its products in foreign lands at competitive prices. You will be pleased to learn, I am sure, that because the doors to foreign markets have remained open, the raisin industry, through intensive promotional and sales efforts abroad, has, in the past 2 years, virtually doubled its exports of raisins.

In so doing, of course, the raisin industry and the California Raisin Advisory Board have contributed substantially to the solution of our dollar deficit problem.

Mr. Speaker, knowing many of the fine people associated with California's and America's raisin industry, I can assure you that although their industry is now a venerable 88 years old, the raisin industry looks to the future with youthful vigor, enthusiasm, and confidence.

The California Raisin Advisory Board will continue to be imaginative in developing new uses for raisins and new ways of telling the world about raisins. It will, in short, keep the raisin industry moving toward new horizons of growth and progress.

In closing, Mr. Speaker, for my colleague, the gentleman from California [Mr. SISK] and for myself, I would again like to invite the Members to have raisin pie dessert at lunch in the House dining room on Wednesday, April 28. I would also like to invite the Members and their families to visit the Fresno area in the fall to see the lush vineyards stretching toward the mountains and to watch the unique harvesting of raisin grapes. Should they have the opportunity to participate in one of the many traditional raisin harvest festivals which several communities hold each year, I am certain it will be an experience they will long remember.

PATENT INFRINGEMENTS BY THE FEDERAL GOVERNMENT—THE EROSION OF AMERICAN PATENT RIGHTS

Mr. POOL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POOL. Mr. Speaker, today, I have introduced a bill to amend section 1498 of title 28 of the United States Code to authorize the use or manufacture in certain cases, by or for the United States of any invention described in and covered by a patent of the United States.

The Defense Military Medical Supply Agency has been purchasing a number of drugs and other items from foreign sources which have been produced in violation of various U.S. patents. In addition to the patent violation, this procedure causes an outflow of dollars and also deprives American workers of jobs. Hopefully, this measure will be helpful to the pharmaceutical industry generally and to other industries whose patents are being violated.

I invite my colleagues to consider the following statement which, I feel, points out the need for legislative action:

PATENT INFRINGEMENTS BY THE FEDERAL GOVERNMENT—THE EROSION OF AMERICAN PATENT RIGHTS

Purchasing agencies of the Federal Government until very recent years bought patented products only from the patent holders or their licensees. Now, certain procurement agencies of the Federal Government have begun to engage in the intentional violation of American patents, a practice which has now been applied to the products of many areas of American industry.

In the last half dozen years several purchasing agencies of the Federal Government have bought tetracycline and other drug products covered by U.S. product patents, from unlicensed sources for use in the United States in direct and deliberate violation of these patents. Frequently, these sources have been located in Italy or have prepared dosage forms from bulk drugs imported from Italy.

These Federal agencies have attempted to justify their actions by giving a new twist to an old statute—28 U.S.C. 1498. The owner of a U.S. patent, as the law is now interpreted, cannot put a stop to the Federal Government's deliberate violation of his patent rights—he cannot obtain an injunction from the court against the Federal Government, even at the end of successful litigation, and his right to claim damages in the Court of Claims is a very inadequate remedy. There is no similar legal loophole for local governments which violate patent rights.

When the statute was originally enacted, its sole purpose was to give an injured patent holder a right of action where none had heretofore existed. As the statute was amended in 1918, it contemplated at most the Government's having access to inventions during wartime emergency situations. It was never intended to give blanket authorization for Government agencies to violate U.S. patents. The net result has been a serious erosion of the rights of U.S. patent owners.

The attempted justification for the violation of U.S. drug patents by Government agencies has been made principally on the ground that the prices quoted by suppliers of infringing dosage forms are often lower than those quoted by the U.S. patent owners and their licensees. Foreign and domestic patent infringers, however, have had to bear no research costs for discovering or developing the drugs covered by the patents they are infringing; and they are attempting to exploit ready-made markets which they have spent nothing to maintain. In addition, foreign producers of such products as tetracycline pay wages that are about one-fourth of the rates prevailing in the United States and, generally speaking, it may be assumed that they have lower production costs.

The Federal Government's purchases of unlicensed foreign-made drug products or unlicensed dosage forms made from foreign bulk drugs have been facilitated by the fact that some foreign countries provide no patent protection for either drug products or processes. As a result, foreign concerns have developed quite a business out of copying the developments, products, and inventions of the American drug industry.

The American system is strengthened by its patent structure, provided for by the U.S. Constitution to advance science by protecting inventors. More drugs have been discovered in the United States under the protection of a strong patent system than in any other country. Foreign countries with no product or process patent protection in the drug field have produced no important drug discoveries.

With respect to tetracycline products, it is important to note that the prices quoted by the manufacturer to Federal and local government agencies are less than 50 percent of the prices quoted when the product was first introduced and that prices to the trade generally have declined by about 43 percent.

Purchases of unlicensed drug products by the Federal Government are not in the public interest and may well be characterized as "penny wise and pound foolish." American drug research will be discouraged by such purchases, and this will eventually be detrimental to American health. Purchases of unlicensed foreign-made tetracycline or other drug products, or unlicensed dosage forms prepared from foreign-made bulk drugs, can cause loss of jobs by American workers as a result of displacement by low-paid foreign workers; encourage "dumping" of foreign-made products in the United States at prices lower than those charged in the regular foreign market; hurt the unfavorable American balance of international payments; and reduce tax revenues for Federal, State, and municipal governments.

There is an important issue at stake in the matter of governmental purchases of drug products for use in violation of U.S. patents. The laws of the United States have provided a strong patent system for the precise purpose of encouraging long and expensive research work of the very type which led to the discovery of tetracycline. We cannot stand aside while erosion occurs to patent rights which help to provide the funds necessary for the continuance of important medical research, the kind of research that has made the United States the world leader in the discovery and development of life-saving products.

Purchases of patented products by the Federal Government from unlicensed sources have extended to the products of many industries. The violation by various agencies of the Federal Government of patents issued by one of its own branches is a growing threat to research-oriented American industry. Its effect may well be to discourage research in many other industries, as well as in the drug industry.

The deliberate and indiscriminate infringement by the Federal Government of its own patents may not be illegal—but it is morally wrong. It hardly seems fair to have one agency of the Federal Government; namely, the U.S. Patent Office, issue a patent to an inventor or a discoverer of a new product, and have another agency of that same Government, the Military Medical Supply Agency in the Defense Department, violate that patent. This, however, is exactly what is happening. Unfortunately, Federal legislation appears to be the only way to stop indiscriminate infringement and to keep deliberate infringement by the Federal Government within reasonable bounds.

THE U.S. BALANCE-OF-PAYMENT DEFICIT A CRITICAL PROBLEM

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ERLENBORN. Mr. Speaker, at a time when the U.S. balance-of-payment deficit is a critical problem, and our national budget operates at a deficit, the Congress should take careful note of a report issued by the Comptroller General's Office entitled "Unnecessary Dollar Costs Incurred in Financing Purchases of Commodities Produced in Brazil."

The basic problem discussed is not confined to Brazil. It has worldwide application. It tells of a loss of millions of dollars through bureaucratic mismanagement.

This report, which I received as a member of the Government Operations Committee, documents a loss of $3.8 million between July 1961 and December 1963. Its loss was caused by a failure of the Agency for International Development to follow public law and adopted U.S. policy.

Briefly, the Comptroller General's office found that the Agency used U.S. dollars to finance shipments of Brazilian commodities to other aid-receiving nations at a time when Brazilian moneys

should have been used to finance the projects.

Had the Agency used the Brazilian cruzeiros, rather than U.S. dollars, it would have—

Helped alleviate the U.S. balance-of-payments deficit;

Provided the U.S. Treasury with an equal amount of dollar receipts which would have acted to reduce the U.S. budget deficit; and

Avoided a severe loss, from inflation, in the value of an equivalent amount of U.S.-owned cruzeiros.

Instead Uncle Sam was a three-time loser.

I emphasized that the $3.8 million loss in Brazil took place at a time when the Agency for International Development already operated under legislation authorizing the expenditure of cruzeiros instead of dollars under the circumstances.

The implications of the $3.8 million loss discussed in the Comptroller General's report are far reaching. The report itself indicates that the Comptroller General has but scratched the surface.

On March 18—1 day before the Comptroller General's report was made public—Treasury officials reported the U.S. gold loss for 1965 had reached $825 million, compared with a loss of $50 million for a comparable period in 1964.

Considering this is our present balance-of-payment story, I submit it is the duty of the Congress to probe the inefficiency of the Agency for International Development that adds to our balance-of-payment deficit.

The Comptroller General's report recommends broadening the program for an increased use of foreign currencies in all countries where the United States holds a significant amount of the foreign currency.

The recommendation is a good one. It should be fully enacted by the Agency for International Development.

But again I emphasize, that it was already public law to follow this policy regarding Brazil during the period of time when the $3.8 million loss was incurred.

This situation illustrates that bureaucratic agencies and administrators all too often ignore policies approved by the Congress.

Recognizing this, the Comptroller General further recommends "that a review be made on a worldwide basis of all Agency for International Development dollar-financed procurements with a view toward substituting U.S.-owned foreign currencies for U.S. dollars wherever possible."

At a time when the President is asking American tourists to stay at home to help reverse the gold supply problem and improve the balance-of-payments deficit, the Congress cannot overlook this timely report from the Comptroller General.

Furthermore, recommendations are being discussed that American businessmen limit investments in programs in other nations to help the balance-of-payments deficit.

This proposal illustrates the seriousness of the problem.

For years we have encouraged American industry to locate in other nations to better help those people help themselves. For years, we, as a nation, have prided ourselves on the achievements of U.S. private enterprise overseas and the good will U.S. investments have prompted.

Certainly it is better policy—foreign policy and fiscal policy—to follow the recommendations of the Comptroller General's report concerning aid than to curtail tourism and oversea investments.

Congress has the obligation to initiate an immediate nation-by-nation study of the policies of the Agency for International Development.

Before the Congress considers any additional legislation, we should conduct an investigation to determine—

Why did officials of the Agency for International Development fail to use Brazilian moneys, rather than U.S. moneys, particularly when this was the adopted policy?

What, if any, steps have been taken to correct future similar costly errors?

Has specific responsibility within the Agency been pinpointed to carry out a program to use U.S.-owned foreign currencies whenever possible? If not, why not?

How far reaching has been the Agency's failure to follow U.S. policy in this area?

Generally speaking, economies can usually be realized by using available foreign currencies, regardless of the amount of Treasury holdings of the foreign currencies.

This was recognized in a report from the Bureau of the Budget released in September 1964. A full 2 months after the Bureau of the Budget issued its report, the Agency released an erroneous statement saying nonexcess foreign currencies could not be used.

In addition, 2 years previous, in October 1962, legislation was adopted by the Congress, and signed by the President, that permitted general use of foreign currencies in place of U.S. dollars in Agency programs.

There is no logical or acceptable excuse for the Agency for International Development to have caused a loss of nearly $4 million in dealing with Brazil, one of 85 nations involved in aid programs.

CIVIL RIGHTS

Mr. GLENN ANDREWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GLENN ANDREWS. Mr. Speaker, it has been a very difficult problem to bring the American Negro fully into America's dreams and into her bright future.

One hundred years ago we nearly lost the Union itself over this problem. One hundred years ago we paid the price of over 600,000 of our finest men grappling with this problem. Today the problem of welding the Negro into America's society in full citizenship but with order and justice to all is about to destroy our Constitution itself and our entire concept of government.

Law forged on the anvil, the white-hot anvil of bitterness and rancor, will surely lose its value and its very discipline. It will be a hollow victory indeed for the Negro if in victory he lose the very foundation of his protection, the Constitution of the United States.

ALABAMA BUSINESS LEADERS TAKE STAND

Mr. MARTIN of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MARTIN of Alabama. Mr. Speaker, in spite of the hate campaign that is directed against the great State of Alabama and its people, I am proud to say the majority of Alabama citizens have not reciprocated in kind. Most of our people, our responsible business leaders, and clergymen have tried, in the face of great provocation, to maintain our dignity, the friendly spirit which is so much a part of Alabama, and the avenues of communication which have existed between the races to a greater extent than in the States of many of our severest critics.

We have made mistakes in Alabama. There have been wrongs, just as there have been wrongs and injustices against some people and some individuals in every State of the Union. But we alone have had to bear the burden of being pilloried for sins of which all are guilty.

This week, many of Alabama's outstanding business leaders are in Washington to attend the annual meetings of the U.S. Chamber of Commerce. This, then, is an appropriate time to pay tribute to the Alabama State Chamber of Commerce and many local chambers for the fine work they have done and are doing in correcting whatever injustices and inequities exists. So that those of you who may have missed the statement of the business leaders of my State which has appeared in a number of newspapers and magazines, I include it as a part of these remarks. It is my prayer that other business leaders and other citizens in other States will do as much, have as much understanding, have as great a genuine desire to create in every corner of this land the kind of America we are striving for in Alabama. We, too, want every American to have full opportunity to realize the fulfillment of the American dream and we shall continue to do our best to help all citizens realize the dream.

The statement follows:

WHAT WE BELIEVE AND WHERE WE STAND

In light of recent developments in Alabama, we feel that the business community has an obligation to speak out for what it believes to be right.

The vast majority of the people of Alabama, like other responsible citizens throughout our Nation, believe in law and order, and in the fair and just treatment of all their fellow citizens. They believe in

obedience to the law regardless of their personal feelings about its specific merits. They believe in the basic human dignity of all people of all races.

We intend to continue working diligently for the full development of Alabama, the welfare of its people and the maintenance of conditions favorable to the creation of an economy which will benefit every citizen.

For these reasons, we feel that we must publicly declare and reaffirm what we believe and where we stand.

First, we believe in the full protection and opportunity under the law of all our citizens, both Negro and white. Just as we feel every Alabamian inherently has the right of protection, so does every Alabamian have a responsibility to uphold the law. We deplore equally public demonstrations which violate the law, and the actions of those who take the law into their own hands. There are proper procedures for expressing protest in a lawful manner, just as there are procedures for restraining those who would violate the law.

We believe in the basic American heritage of voting, and in the right of every eligible citizen to register and to cast his ballot. We believe, however, that qualification of prospective voters, when properly and equitably administered, is a constitutional responsibility that must be preserved.

We believe in obedience to the law, even though some may question the wisdom of particular laws. Such a law is the recently enacted Civil Rights Act of 1964, which many of our citizens feel contains many unjust and improper provisions. We do, however, have an obligation to abide by it, and this will do. Where injustices or inequities are indicated, we will seek relief through proper and legal channels.

Our State is faced specifically with compliance with title VII of this law which goes into effect shortly. This provides for nondiscrimniation in employment and will call for some adjustments. While many of our employers have been in compliance with these provisions for some time, we call on business leaders all over the State to provide leadership in this matter.

We believe that communication between different elements of our society must be maintained. We urge leaders of both races to improve avenues of communication and understanding. While this has been done successfully in many local communities, we suggest that consideration be given to the establishment of positive new vehicles for communications between the races throughout all the State.

We believe that an expanding economy will benefit all of our people. This will provide more jobs and greater income, thus raising the standard of living for all our citizens—both Negro and white.

We believe that an ever-increasing level of education is an important objective. This will better equip our citizens to take advantage of job opportunities and to become qualified voters.

We believe in Alabama, have confidence in its future, and call upon all of its citizens to join together in working for the attainment of these objectives and the solution of the many problems facing us.

Alabama State Chamber of Commerce, Alabama Bankers Association, Birmingham Chamber of Commerce, Mobile Chamber of Commerce, Montgomery Chamber of Commerce, Huntsville Chamber of Commerce, Alexander City Chamber of Commerce, Andalusia Chamber of Commerce, Anniston Chamber of Commerce, Cullman Chamber of Commerce, Decatur Chamber of Commerce, Florence Chamber of Commerce, Gadsden Chamber of Commerce, Jasper Chamber of Commerce, Associated Industries of Alabama, Alabama Textile Manufacturers Association, Muscle Shoals Chamber of Commerce, Opelika Chamber of Commerce, Sylacauga Chamber of Commerce, Troy Chamber of Commerce, Tuscaloosa Chamber of Commerce, Association of Huntsville Area Contractors.

ANNIVERSARY OF INDEPENDENCE OF SIERRA LEONE AND TOGO

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, today is the birthday of two new nations in Africa—Sierra Leone and Togo—and to the governments and the peoples of those two vibrant and promising new nations in Africa, I extend the good wishes and the compliments of the members of the Subcommittee on Africa of the Committee on Foreign Affairs, and, I am sure, in that expression of compliment on the accomplishments of the past and good wishes for the future we will be joined by all the Members of the House of Representatives of the Congress of the United States.

Mr. Speaker, for a century Sierra Leone has been the melting pot for the freed slaves of Africa. Over 100 years ago fugitive slaves went to Sierra Leone, and they founded that country as a country of freedom. It is especially pleasing to wave the hand of friendship to this land that was slaveless long ago, especially at this time when we are having at long last an understanding and solution of our own racial problems in the United States.

It is a happy privilege for us to join with our friends in Africa in celebrating the birth anniversaries of Sierra Leone and Togo.

Sierra Leone, with an area of 27,925 square miles—nearly as large as South Carolina—is located on the West Coast of Africa. It shares common frontiers with Liberia to the southeast and with Guinea to the north and northeast. Freetown (population about 90,000), the capital, has one of the finest natural harbors in West Africa, with anchorage space for over 200 ships.

Sierra Leone is the third of Britain's West African possessions to achieve independence. Yet in many ways it can claim historical seniority in British West Africa. During the early part of the 19th century Freetown was the residence of a British Governor who also ruled over the Gambia and the Gold Coast settlements.

Sierra Leone also was the educational fulcrum. Fourah Bay College served for the education of West Africans all down the coast, and its influence is still visible in the number of families with Sierra Leonean connections to be found in Ghana and Nigeria.

With about 85 percent of the people on the land, agriculture is by far the most important sector of the economy although surpassed in importance by exports of diamonds and iron ore.

Togo has a population of 1,450,000. It is located on the Gulf of Guinea between Ghana on the west, Dahomey on the east, and Upper Volta on the north. The Republic of Togo is a long narrow country stretching 360 miles north from the West African Coast. Only 21 miles wide where it meets the sea and 100 miles at its broadest point, Togo has a total area of 20,400 square miles, approximately equal to the area of West Virginia. The capital, Lomé, is located at the western border of the country on a sandy coastal strip between the ocean and a salt water lagoon.

Nicholas Grunitzky as prime minister headed the provisional government after the assassination of President Olympio on January 13, 1963. On May 5, 1963, the Togolese people adopted a new constitution, chose deputies representing all political parties to the National Assembly, and elected Grunitzky, President and Antoine Meatchi, Vice President.

Togo's economy is agricultural and is predominantly made up of small family-type farms. The only important industrial activity is a phosphate mining and primary processing operation that began production in 1961. The phosphate deposit, located some 14 miles from the sea, is estimated to contain more than 50 million tons of high quality ore. The company operating the phosphate industry is largely French owned, with the Togolese Government and a private American firm having part interest.

Because of a lack of private and public capital, Togo wishes to attract private foreign investment, as well as increased foreign aid.

Mrs. GRIFFITHS. Mr. Speaker, today, I want to take the opportunity to extend to Togo my best wishes on this, the fifth anniversary of its independence. Five years ago, we warmly welcomed Togo into the world community of free nations and since that time we have been fortunate in developing firm, friendly relations. It is my sincerest hope that these relations will grow even stronger and deeper in the years to come and that the people of Togo will achieve the promise of tomorrow.

Mr. Speaker, I also wish to extend my heartiest congratulations to Sierra Leone, which today is celebrating its fourth anniversary as an independent country and a member of the United Nations. Sierra Leone has been a proud and vigorous member of the community of nations and we are pleased at the successful ties we have established with this rising nation. It is with a strong political tradition and an energetic people that Sierra Leone is meeting the challenge of the future.

Mr. FARNUM. Mr. Speaker, April 27 is the fifth anniversary of the day on which the West African Republic of Togo was placed among the independent nations of the world.

It is not to be wondered at that our relations with Togo are good, since we have many things in common. Both Togo and the United States are firm believers in national independence, in noninterference in others' affairs, and in working hard and purposefully to achieve economic and social development.

I believe I speak for freedom-loving people everywhere when I say that we are pleased that a new nation has come through its first 5 years so very well. I would like to extend hope for continued progress to Togo through President Nicholas Grunitzky and through Dr. Robert Ajavon, who is the much admired Ambassador of Togo to the United States.

Mr. Speaker, those interested in the various ways that freemen govern themselves will find the nation of Sierra Leone of particular interest.

Sierra Leone evolved into independence with elections in 1924, installation of a ministerial system in 1953 and constitutional talks with the British Government in 1960 which led to full independence on April 27, 1961, an anniversary which the free world celebrates today.

Sierra Leone has an active two-party system. Its city of Freetown has the oldest corporate charter in West Africa. Its cabinet includes a woman of noteworthy achievement, Paramount Chief Madam Elle Koblo Gulama.

Sierra Leone faces the future confidently, equipped with political traditions and institutions that will make it increasingly important both to Africa and the world.

Sincerest congratulations and best wishes go this day to Sierra Leone through Prime Minister Sir Albert Margai and through Sierra Leone's Ambassador to the United States, Mr. Gershon Collier.

Mr. POWELL. Mr. Speaker, today marks the fifth anniversary of Togolese independence. We wish to take this opportunity to extend warm felicitations to His Excellency Nicholas Grunitzky, President of the Republic of Togo; and to His Excellency Dr. Robert Ajavon, the Togolese Ambassador to the United States.

Five years ago today, on the 27th of April 1960, one of the smallest of the African states became independent after many years of German, French, and British rule: Togo. As was, unfortunately, so often the case with other west African countries, its first experiences with the powers of Europe were at the hands of slave traders. Later still, in the 17th and 18th centuries, the French established trading posts, to be joined in the 19th century by the Germans, also in search of colonies. From the name of a village on the coast near Porto Segouro, with whose chief the Germans signed a treaty establishing a protectorate, the country received the name by which it is known today.

Due to the competition among the European powers for territory and influence in Africa, the peoples who inhabit the areas on the north coast of the Gulf of Guinea have been divided into numerous different states. When during World War I the British and the French gained control of Togoland, they divided the former German territory between them, and obtained League of Nations mandates for them. Following World War II, these two countries placed their areas under U.N. trusteeship. Soon thereafter, the leaders of the Ewe people began to petition the United Nations, first for Ewe reunification, and second for Togoland reunification, for as a result of these rivalries for territory, they found themselves under three different administrations: Gold Coast, British Togoland, and French Togoland.

In 1956, a U.N.-supervised plebiscite was held in British Togoland. A majority of the voters decided in favor of integration with an independent Gold Coast—today the independent State of Ghana. Later the same year, another referendum was held in French Togoland, wherein the voters overwhelmingly decided to terminate the trusteeship and accept the French offer of internal autonomy. The U.N. refused to accept this unilateral attempt to end the old status of French trusteeship. But, in 1958, another election was held; this time, the National Unity Party, which had pledged itself to complete independence, gained control of the Togo Assembly. Shortly thereafter the French Government, after consultations with the new government, announced that full independence would be granted. Finally, on April 27, 1960, the Republic of Togo took its place in the world community of independent nations.

Although faced with substantial economic difficulties, the Togo Government has, like many others, embarked on a variety of development programs to diversify and expand its economy. Although Togo has never been as dependent upon a single crop for its foreign exchange as many others, the Government has nevertheless undertaken to encourage the development of new areas, and new crops, as well as the intensification of cultivation in areas already in use. Governmental development programs are designed to modernize agricultural methods, introduce fertilizers, and generally increase acreage and yield. Togo's rivers provide an excellent potential source of hydroelectric power, and as a result of the numerous large and small dams which have been constructed, both electric power production as well as the amount of reclamation and irrigation projects have increased prodigiously since independence.

With the exploitation of Togo's extensive phosphate deposits, and the diversification of agricultural output for the export market, dangerous fluctuations in Togo's foreign exchange earnings have been eliminated. With increased income from the results of the 4-year development program schemes, expanded trade, as well as continued aid and investment from other countries, the people of Togo should be able to look forward to an increasingly prosperous future—a goal with which we are in complete sympathy.

Mr. Speaker, today, April 27, 1965, is the fourth anniversary of independence of Sierra Leone, and on this grand occasion, we wish to extend warm felicitations to His Excellency Sir Henry Lightfoot-Boston, the Governor General; and to His Excellency Gershon Collier, the Sierra Leone Ambassador to the United States.

Sierra Leone is a country whose political history is tied to our own despite the fact that it was for many years a colony and protectorate of Great Britain.

From the 16th to the early 19th century, what is today Sierra Leone was constantly raided for slaves to fill the unceasing demand of the new colonies and territories of America. But, the modern colony did not grow from the early Portuguese and British factories and settlements in the neighborhood. Rather, it was founded by a number of British philanthropists and conscientious citizens who were determined to do something in order to relieve the horrors of the slave trade. As early as the 1780's, such men as Granville Sharp, Henry Smeathman, and Alexander Falconbridge proposed and promoted schemes for founding on the Sierra Leone peninsula a colony for Negroes discharged from the Army and the Navy at the close of the American Revolution, as well as for slaves who had found asylum in London. The tribal leaders and kings of Sierra Leone sold and ceded territory to the chartered company which was created, and soon additional former slaves were arriving from other cities in England, Nova Scotia, Jamaica, and America. It was this original settlement and the humanitarian sentiment behind it which led to the founding of the capital city of Sierra Leone: Freetown.

When the British Government finally outlawed slavery in 1807, the new colony was used as a base from which the act could be enforced. Beginning in 1808, when the first slave ship was captured and its human cargo released, hundreds and soon thousands of slaves were similarly set free, and most of them remained in Sierra Leone.

The new colony gradually developed mission and trade connections with the surrounding areas, which increasingly became a British "sphere of influence." By the late 19th century, the English, however, had to put down revolts against their expanded jurisdiction, and finally declared the hinterland of the colony a protectorate.

During the 20th century, a revised constitution was first promulgated; by 1956 the colony was permitted to elect most of the members of a new House of Representatives, and by 1958 the first Cabinet was formed under Dr. Milton Margai. Dr. Margai, 2 years later, led the delegation to London to establish the conditions for independence, which finally led on April 27, 1961, to Sierra Leone's complete independence, and membership in the Commonwealth.

Since that time, Sierra Leone has demonstrated a will to tackle the economic, educational, and other problems which still exist. It has, in fact, already achieved an enviable record of progress in these fields. With some foreign aid from the United States, Great Britain, and West Germany, the country has embarked upon an ambitious program of development and diversification. It has created a Development of Industries Board which provides assistance to new industries; it has established a Development Corporation to finance other projects, and is currently nearing the halfway mark of the first development plan, which is to spend over $350 million to increase agricultural output, improve

transportation and communications, power, water and sanitary services, as well as social services.

In the field of education, Sierra Leone has obtained the assistance of UNESCO in an ambitious program to promote universal literacy. Already school enrollment has doubled, many new schools have been founded, and a new university college created to provide additional advanced facilities for Sierra Leone's citizens.

On this day, then, we salute Sierra Leone, its people, and its dedication to progress for its citizens; at the same time, we wish them well in all their new endeavors toward this peaceful progress.

Mr. MATSUNAGA. Mr. Speaker, today April 27, marks the fifth anniversary of the date on which the West African Republic of Togo gained full independence from France, which had exercised trusteeship for the former German colony since the end of World War I. On this happy occasion I wish to extend Hawaii's congratulations and best wishes to President Nicholas Grunitzky, to Togo's Ambassador to the United States, Dr. Robert Ajavon, and to the people of Togo.

It is my understanding that Ambassador Ajavon, although experienced in public affairs, is a relative newcomer to Washington's diplomatic corps, having arrived here at the end of last summer. Since his arrival he has continued to foster the good relations which has existed between Togo and the United States during the last 5 years. We are hopeful and confident that our relations with his country will remain cordial for a long time to come.

Our amity with Togo is founded on common interests. Among other goals, we both seek, in Africa and elsewhere, independence of nations, noninterference in other nations' internal affairs, and economic and social development of the new nations. An African proverb has it that "what you are doing makes so much noise that I cannot hear what you are saying." In keeping with this adage Togo and the United States are working together in matching their actions to their language toward the goals they both profess.

For example, the United States and the Government of Togo decided a few years ago to establish a school for training young Togolese in rural development practices. The first graduates of this institution will soon be working with their neighbors in the fields and villages, showing them how to help themselves. This quiet revolution is taking place in the northern region of the country, where the villagers have had less contact with modern agricultural practices than their fellow-citizens on the coast.

Another example of our common efforts to practice what we preach can be found in the establishment of a center to train operators and mechanics of heavy road construction and maintenance equipment. Although programs somewhat like this one are being undertaken in other African countries, the Togo project is a bit special. There, the center has been established specifically to serve all the French-speaking African countries in the area. The first graduating class of this school included more young men from outside Togo than Togolese themselves. I would like to think their experiences in learning their trade side by side with Africans of other nationalities will have a positive effect on Africa's progress toward unity in the years ahead.

When Togo gained full independence 5 years ago, many of us had mixed feelings of concern and hope; concern that the 1960's might prove too turbulent for a small young nation, hope that newfound freedom could prevail. In the 5 years since independence, despite serious trials, Togo has demonstrated its capabilities to fulfill its aspirations and justified the hope which the free world has held out for its future.

I believe I speak for this House when I say we are pleased that the new nation has come through these 5 years so well, and we are proud that our Nation has developed ties of friendship and cooperation with Togo. We have every confidence that these ties will deepen in the years to come.

Mr. Speaker, I wish to join the Members of this House and the American people today in extending sincerest congratulations and warmest best wishes to the nation of Sierra Leone, its vigorous Prime Minister, Sir Albert Margai, and its Ambassador to the United States, Mr. Gershon Collier, on the occasion of its fourth anniversary as an independent member of the world community. Today, April 27, 1965, also marks the 4th anniversary of Sierra Leone's election as the 100th member of the United Nations.

This nation of more than 2 million people is located on that stretch of West African coastline where the mountains meet the sea. In fact the name Sierra Leone, or Lion Mountain, was given by the Portuguese explorer Pedro da Cintra in 1460 who thought the sound of thunder in the mountains resembled the roaring of lions. Freetown, capital of the country, is situated on one of the finest natural harbors in the world, and nearby are beaches whose beauty is famous throughout West Africa. Early visitors to this coast were John Hawkins and Sir Francis Drake. The first settlement in 1787 was the work of Granville Sharp, leader in the campaign in England against slavery. In 1808 a British colony was established from which enforcement could be imposed in abolishing the slave trade; captured slave traders saw their cargoes freed by the local courts. These persons from all over West Africa became known as Creoles and adopted many of the British ways, while missionaries, many of them American, brought education and Christianity to the Colony. To forestall the encroachments of the surrounding French territories the British created a protectorate in the neighboring area in 1896, and Sierra Leone's present boundaries were thus determined. It covers today an area approximately equal to that of South Carolina—28,000 square miles.

Sierra Leone's constitutional history is a notably peaceful one, with a clear evolution toward independence by democratic method; first elections were held in 1924, a ministerial system installed in 1953, and constitutional talks with the British Government in 1960 led to full independence on April 27, 1961. Sir Milton Margai became the first Prime Minister. He was followed, upon his death in April of last year, by his half brother, Sir Albert Margai who today provides dynamic guidance to his nation.

Sierra Leone, member of the British Commonwealth of Nations, is a constitutional monarchy. The Queen is Head of State and is represented in Freetown by Gov. Gen. Sir Henry J. Lightfoot-Boston. The Sierra Leonean constitution provides for an executive government under the Prime Minister, a legislature elected by universal suffrage, and a judicial system which includes a supreme court, magistrates' courts and a court of appeals.

The Parliament consists of the Queen, a traditional gesture, and a house of representatives of which 62 "ordinary members" are elected by universal suffrage, and 12 paramount chiefs are elected by tribal councils in the provincial districts.

Since its formation in 1951, by the late Sir Milton Margai, the dominant political party has been the Sierra Leonean People's Party—SLPP. The role of its leader has now passed to Sir Albert Margai. But the SLPP has not been the only political party; the elections of 1957 were contested by four parties which later made political history in west Africa by joining with a fifth party to form a common front for the constitutional talks in London in 1960. This united front guided Sierra Leone through its first year of independence until the first general elections were held in May 1962. The election was largely a contest between the SLPP and the All People's Congress—APC—formed in 1960 by the present leader of the opposition, Mr. Siaka Stevens. Today the SLPP holds 48 seats and the APC 14 in the house of representatives.

In addition to an active two party political system other features of Sierra Leone's political life should be noted. The corporate charter for the city of Freetown—1799—is the oldest in West Africa; the Cabinet includes the first woman named to a West African Cabinet, Paramount Chief Madam Ella Koblo Gulama.

In 1827 the Church Missionary Society of England founded Fourah Bay College, now the University College of Sierra Leone. For years it was the only institution of higher learning in Africa south of the Sahara, and its influence is still outstanding in the teaching and administrative circles of Nigeria, Ghana, and the Gambia.

A word should be said about the economy of Sierra Leone. An estimated 85 percent of the people live by agriculture, and some agricultural products are exported, such as palm kernals, cocoa, and coffee. But the principal export is diamonds which make up more than 50 percent of the exports. The Government of Sierra Leone is actively engaged in diversifying production and expanding the output of other mineral resources such as iron ore, bauxite,

and titanium oxide. Sierra Leone's unrestrictive policies with respect to trade and investment will also serve to attract private capital into other areas of its development process.

Although the United Kingdom remains the principal external donor nation for reasons of historical and cultural ties, the United States has an aid program of relatively great importance in Sierra Leone, with emphasis on rural teacher training and the creation of a land-grant type university. Other projects have included the creation of a central statistics office, and a measles vaccination campaign. Annual grants total approximately $2.5 million.

The Peace Corps has undertaken a highly successful and growing program in secondary school instruction and rural development along the lines of inspiring self-help projects in the villages for better water supplies, better sanitation facilities, and primary school construction.

Lastly, a Public Law 480 program is underway, including a recently signed title IV sales program of $1.7 million.

The nation thus faces the future under the positive leadership of Sir Albert Margai equipped with political traditions and institutions which should assure it an increasingly productive role in the community of nations in Africa and the world. We wish you a great future, Sierra Leone.

GENERAL LEAVE TO EXTEND

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and also that any of my colleagues who so desire may have 5 legislative days to join me in expressing our good wishes and congratulations to Sierra Leone and Togo.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FLOOD CONTROL AND RIVER DEVELOPMENT WORK

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the Subcommittee on Flood Control of the House Committee on Public Works this morning took note of a very serious situation that is becoming more serious with each passing day and reported favorably by a unanimous bipartisan vote of the subcommittee the bill, H.R. 6755, introduced by our colleague, the gentleman from Alabama [Mr. JONES] to authorize additional appropriations for flood control and river development work on 10 of the major river basins of the country.

From representatives of the Corps of Engineers we heard testimony this morning that indicates six of these basins are already listed as critical with reference to the status of existing monetary authorizations; that three contracts have already had to be deferred by reason of an existing lag in authorizations and that the need for passage of this bill is most urgent.

The full Committee on Public Works is expected to take up this bill tomorrow. We are hopeful that it can be brought to the floor of the House in the very near future because it is vital for the orderly prosecution of construction on these 10 major river basins of the country.

I sincerely hope that in the other body there will be the same awareness of the acuteness of the need with reference to these rivers and that this legislation can be passed expeditiously. It does not mean in any way that there is any deferment of plans to have an omnibus rivers and harbors bill, but it does mean that on these 10 basins representing projects already authorized by the Congress and now requiring periodic monetary authorizations, the need for action is with us now.

JOHN I. SNYDER, JR.

Mr. RESNICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RESNICK. Mr. Speaker, it was with the deepest sense of personal loss that I learned of the passing of John I. Snyder, Jr. I mourn the passing of this man not only as an outstanding businessman and business leader, but as a dynamic and deeply concerned leader of the New York State Democratic Party. His ceaseless efforts on behalf of all his fellow men will be impossible to replace. In honor of this man, I include his New York Times obituary at this point in the RECORD.

JOHN I. SNYDER, JR.

No American industrialist showed greater sensitivity to the enormous human problems engendered by automation than John I. Snyder Jr., chairman and president of U.S. Industries, Inc. His company pioneered in making equipment to be used in automating factories, and he never wavered in his conviction that this country had to avail itself fully and swiftly of new technology to raise living standards and maintain its competitive position in world markets.

But he believed equally strongly that management had to cooperate with labor and the Government in making certain that workers would share the fruits of increased efficiency and not pay the whole price of adjustment in mass unemployment. He taxed the machines his company built to finance a foundation to study automation's impact on jobs and to recommend constructive social solutions. His death at 56 deprives the Nation of one of its most creative thinkers in this field just when President Johnson had designated him as an adviser in pointing new paths for public policy.

PROPOSED MOVE OF U.S. NAVAL TRAINING DEVICE CENTER

Mr. WOLFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Speaker, the proposed move of the U.S. Naval Training Device Center from Port Washington, N.Y., to the Orlando, Fla., Air Force Base is not justified from an economic point of views and is thus not in the best interests of the American taxpayers.

As a Congressman, I am deeply concerned with the economic well-being of my constituents. I am, however, equally concerned with national defense. The proposed move endangers both.

The move from New York to Florida would take up to 2 years to complete, and would seriously disrupt the primary mission of the Center—supplying training devices and battle simulators to the services.

Other items attest to the inadvisability of the move. It has been reported that a $3.5 million computer would be left behind, as it cannot be dismantled and transported economically. A $100,000 laboratory at Sands Point, in process of construction, would be similarly lost to the taxpayers. Because of the much hotter climate in Florida, the entire operation would have to be air conditioned thus greatly increasing the cost of the move. Relocation of families of Center personnel would occasion substantial costs which would return nothing to the taxpayer.

Is moving this facility 1,200 miles merely to supply a reason for keeping open a huge Air Force base in line with the President's and Mr. McNamara's economy goals? The Center needs less than 100 acres; Orlando has 1,400. Does an operation of this size justify keeping open a huge base?

There is ample room for expansion of the facility's operation at its present location, as it presently occupies less than 10 out of 160 acres available. Closing the base at Orlando and keeping the Training Device Center where it is would mean a much greater saving to the taxpayers.

Renovation of existing housing at Sands Point would cost far less than making such housing available at the Florida location. The buildings at the present site are durable, sturdy structures that can be modified and improved.

The move would be bad for Long Island and bad for New York State. It would add to an already serious unemployment problem, as many Center employees have already indicated that they will not uproot themselves and relocate in Florida. An average yearly payroll of $8 million and an average $100 million worth of contracts per year would be lost to New York. Small contractors would be especially hard hit, and the attendant loss would greatly add to the growing unemployment problem in the area.

Orlando is remote from the industrial-military locus of the northeast. Sands Point is admirably located in this regard. It is close to Washington and to the Nation's major industrial centers.

Cost of the move has been tentatively set by the Navy at $1.2 million. A private estimate runs to over $7 million. Is this economy? The evidence that has reached me as the basis for this transfer is not persuasive from the point of view of economy—although economy is a reason given for the move by those who favor it.

The Naval Training Device Center has had a long and successful history at its present location. There is room for expansion and consolidation of the scattered elements of the Center at the Sands Point location and nearby. The Center is presently located in an area where the skilled talent necessary for its sophisticated mission is readily available, and where educational facilities for its professional complement are among the most diverse and renowned in the world. Orlando has only two junior colleges.

The proposed move would achieve nothing for the Defense Department or for the national defense effort that could not be achieved at Sands Point. By remaining where it is, the waste represented by the cost of moving would be saved. Interruption of the vital function of the Center would be avoided, as would a serious disruption of business activity in the Long Island and the New York area.

This situation calls for a serious investigation and that is why I am calling for a delay in the move.

In my opinion, no thorough study of the proposed transfer has been made, and the efforts of myself and others to learn the reasoning behind the move have failed. The bipartisan New York State Congressional Steering Committee favors a delay until such a study can be made, and I heartily concur.

The proposed move from the evidence I have seen to date, doesn't make sense from a professional, economic, or cost-efficiency point of view, and I have entered a resolution in the House of Representatives to delay the move until a full investigation has been made by the Armed Services Committee.

REPRINTING A COMPILATION OF HISTORICAL DOCUMENTS

Mr. GILLIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GILLIGAN. Mr. Speaker, I rise to speak in behalf of a resolution I have submitted to make available to a new generation of Americans the priceless documents upon which this country was founded. Thirty-eight years ago the Government Printing Office printed House Document No. 398 of the 69th Congress. More familiarly known—indeed, affectionately so—as "Documents Illustrative of the Formation of the Union of the American States," this volume, while imposing in size, has remained far more impressive for students in and out of government as the one great storehouse of this Nation's fundamental papers.

Although the original printing produced a generous number of copies for the use of the Congress, the number of copies available for public sale was limited. The price rose through the years from $2.85 to $9.50; and finally, by September of 1962, it was out of print. Today it is a collector's item and worth many times its original price. I submit that it would be a public service to have reprinted this invaluable source book of our American heritage, to make it available again to the Congress, to other officials of the Government, to our educators, to our scholars, and to our many other interested citizens.

One might well ask, why is this volume so valuable? There are many other source books containing a number of the same documents, and they are widely distributed. But, and this is the compelling difference, none contains all of the documents that repose between the covers of this single great work. And no other single publication, to name only one feature, presents the variant texts of the plans presented to the Federal Convention by Edmund Randolph, William Paterson, and Alexander Hamilton. The volume, indeed, is a veritable mine of historical gems. It holds, among so many other treasures, the Declaration and Resolves of the First Continental Congress; the Resolves adopted in Charlotte Town, Mecklenburg County; the Preamble and Resolution of the Virginia Convention of May 15, 1776; the Declaration of Independence; the Articles of Confederation; the Proceedings of Commissioners to Remedy Defects of the Federal Government; the Ordinance of 1787; Debates in the Federal Convention of 1787, as reported by Madison; the Notes of Rufus King, and others; the Constitution; the proceedings of the States in the ratification of the Constitution; and many, many other documents. And not least of all, it boasts a magnificent analytical index to the entire volume.

"Documents Illustrative of the Formation of the Union of the American States" comprises 1,115 oversized but easy-to-read pages, with footnotes legion in number but unobtrusively placed. The documents were selected, arranged, and indexed by the late Charles C. Tansill, noted historian and an officer of the Legislative Reference Service of the Library of Congress.

Since the volume first appeared, it has received encomiums from renowned figures in public life and from private citizens. Former Ambassador Dwight W. Morrow expressed "his high estimate of the value of the book." Frederic Delano, industrialist and Government official, referred to it as "certainly a magnificent book of reference." And, quite significantly, a number of Madison's descendants have termed it "an invaluable source book." I can only join in the tributes.

"MARCH ON MONTGOMERY: THE UNTOLD STORY"

The SPEAKER. Under previous order of the House, the gentleman from Alabama [Mr. DICKINSON] is recognized for 60 minutes.

Mr. DICKINSON. Mr. Speaker, the remarks I am about to make relate back to a speech I made on this floor on the 30th of March, entitled "March on Montgomery: The Untold Story."

I would like at the inception of my remarks to make some corrections to that speech lest I forget.

First, on March 30 I said that Rabbi Rubenstein left the march in disgust. Rabbi Rubenstein informed me by telephone and letter that he was in Montgomery just before the march but did not take part in the march and, therefore, he did not leave the march in disgust. However, the Washington Evening Star of March 20 quotes Rabbi Rubenstein as follows:

RABBI IN SELMA MARCH ASSAILS AIMS OF SNCC

PITTSBURGH (AP).—A rabbi has charged that leaders of the Student Nonviolent Coordinating Committee are "activists and revolutionaries" who want to cause trouble rather than further the civil rights movement.

Rabbi Richard L. Rubenstein, a University of Pittsburgh chaplain * * * told a student rally Friday that SNCC leaders invited college students to Montgomery, Ala., * * * for a civil rights demonstration because "they wanted dead bodies * * * our bodies."

Rabbi Rubenstein accompanied about 130 Pittsburgh area students to Montgomery and was present when possemen on horseback broke up the demonstration with billy clubs Tuesday.

The rabbi told the rally—called by the National Association for the Advancement of Colored People—that SNCC executive secretary James Foreman lied to the Pittsburgh students and tried to use them.

Rabbi Rubenstein said Pittsburgh students went to Montgomery thinking that the demonstration would be nonviolent but were told by a SNCC leader the first night that "you may have to lay down your life in this demonstration."

I also said that Rev. Norman Truesdell of Dubuque, Iowa, left the march in disgust because newspapers had reported this to be a fact. Reverend Truesdell complained that I misrepresented the fact. I checked with the police department and found that Reverend Truesdell was arrested in Montgomery before the march and was given a suspended sentence if he agreed to leave town, to which he readily agreed.

I am glad to correct these two errors and if there is a distinction between the warmup demonstrations which preceded the march in either Montgomery or Selma and the march itself, I am glad to make that correction.

I would also like to say that I did not intend to depict myself as a moralist, or as being self-righteous or some sort of crusader against all sorts of evil and sin. I am, I suppose, about like the average Member of this House, no better and I hope no worse. Having sat as a judge in various courts of law over 10 years before coming to Congress, I do not shock easily. Instead, I believe I am more tolerant than most.

I have attacked the conduct of many of the participants for several reasons, one of which is to rip away the facade

of righteousness, smugness and respectability erroneously attributed to them, which allowed them to invade my home town and my State like a swarm of rats leaving an overturned hayrick. I can assure you, Mr. Speaker, our modern Canterbury Tales make Chaucer's pilgrims look like veritable paragons of virtue and piety.

I should like to make one other distinction for the interest of you, Mr. Speaker, and the Members here. There were three periods involved in the overall incident. One period was the warmup riots and demonstrations in Selma. Another period of the incident was the warmup riots and demonstrations in Montgomery. Both of those preceded the actual march, the march being the end effect or climax of the whole sordid affair.

Now, because the participants in the various stages and times of the demonstrations feel sensitive about being associated with other parts of it, I have been asked to make the dates clear. I will attempt to do so as best I can, and if the distinction gives them some comfort I am glad to afford that.

I have been challenged by a few persons to make good my offer of proof of the speech I made on this floor 4 weeks ago. I had one good churchman of the church to which I belong, the Methodist Church, say to me that these facts could not be so because he had not read them in the newspaper. That is a pretty good criterion, I suppose.

I am reading now from the Atlanta Times of April 1, where it says "Negro leader lashes immorality charges," and the article relates that one of the leaders, Rev. James Bevel says it is not so.

Dr. Martin Luther King, Jr., leader of the march which ended with 30,000 gathering in front of the State capitol, denied that morals were loose during the trek but admitted to reporters that "some unfortunate incidents did occur."

Mr. Speaker, if they want proof, I am here to offer it today. I am here to offer it in black and white from eyewitnesses and ready to substantiate every statement that I made, and more, in order that the House might be fully apprised of the situation as it existed and as it relates to the Federal Government and the responsibility of those sitting within this Chamber.

In order to do this and to show the facts in true perspective I must necessarily go back about 18 months and relate a set of circumstances so remarkable and so incredible that I, too, am tempted to say, "Well, this could not be so." However, Mr. Speaker, I have the facts and I have the proof. I would not be representing my district and my State if I did not have the temerity to tell it.

This story has been suppressed and it has been denied—and it will be denied again, I am sure. I offer the facts and invite everyone to draw their own conclusion.

To put the Selma-to-Montgomery march in perspective we have to go back 18 months to Selma, to a time when they had no trouble, no demonstrations, no publicity, and Selma was a quiet and placid town, as free of crime and ill will as any city of 30,000 people in the United States or in the world, for that matter. At that time, beginning about the 1st of October, a little more than a year ago, the Federal Government ordered the Army to draw up plans for the military occupation of this happy, content, southern city. The 101st Airborne Division sent a general and two colonels into Selma. The plan was to reconnoiter and draw up plans for a military invasion and a possible paratroop drop on this quiet, peaceful American town. What an incredible thing! How could this be so? What possible event could the powers that were have anticipated that would make them ignore all civil enforcement authorities, the military forces at Craig Air Force Base right in Selma, the military forces available at Maxwell Field about 50 miles away and the military forces available at Fort Benning, Ga., the largest infantry school in the world, 150 miles away? They alerted the 101st Airborne Division at Fort Campbell, Ky., over 350 miles away.

There is another factor which should sober the most fanatic advocate of centralized control of government. If this could happen to one American city without provocation, then it could happen to anyone's hometown—Boston, Chicago, Dubuque. You name it. It could happen to any town if it could happen to one town.

Now let me invite you to look a bit deeper. If they thought it was necessary to call out the 101st Airborne Division to draw plans for an armed invasion of an American city before there was any reason or any possible foreseeable reason, from the standpoint of the average citizen, then what event could be big enough and what calamity could be monstrous enough and what possible set of circumstances could bring into being a condition that would warrant the 101st Airborne Division drawing up war plans on an American city? It could not be an invasion, because this is not a coastal city but an inland city. There is no SAC base there. Redstone Arsenal is over 200 miles away. The answer is only one thing could be anticipated, namely a civil riot of unheard proportions—a so-called civil rights riot. That is the only possible answer. The advanced planning could only be possible through the coordinated efforts of the Department of Justice, the Department of the Army, and certain civil rights groups. I put the "civil rights" in quotes. How was this incident to come about? Well, Selma officials were tipped off beforehand by an informer to watch for a gunman, a mainliner, coming to Selma to set it on its ear. That man was one Wolf Dawson, alias Curtis Hampton, alias Frank Dawson, a Negro gunman and dope addict from Chicago who came in an automobile with Thelton Henderson and James Foreman to Selma on or about October 28, 1963, only 4 days after his release from the penitentiary in Illinois. Only his arrest and fingerprinting by law enforcement officials averted the incident. The civil rights demonstrator, Wolf Dawson, is back in prison at the present time, according to the latest reports, I am glad to say. He was seen 4 days after his release from Illinois in the automobile and traveling with Foreman, who is executive secretary of SNCC—we will hear a little more about him later—and Thelton Henderson, who at that time was an attorney for the Civil Rights Division of the Justice Department. Since it came out in the paper about that time, you might remember, it was reported an agent of the Department of Justice was hauling Martin Luther King about Alabama in a rented car paid for by the U.S. Government, while Martin Luther King was setting up these civil disturbances. A spokesman for the Department of Justice said it was a lie, but when the proof was presented it could not be denied, so Thelton Henderson was fired. Martin Luther King refused comment. The Justice Department exonerated itself by announcing it had recovered the mileage charged for the automobile.

Because of the arrest of Wolf Dawson, the incident anticipated never came off.

Nothing happened.

And then the tragic assassination of President Kennedy a few days later moved the national spotlight and gave Selma an 18-month reprieve.

It might make my story a little more believable if you remember that a part of the high-level planning that went into the Bay of Pigs invasion was also assisting in the Selma invasion. I refer to the head of the Justice Department at that time, Attorney General "BOBBY" KENNEDY.

What proof do I have of this outlandish statement? How could this possibly be so? Well, in a sworn statement, one Burke Marshall, Assistant Attorney General in charge of the Civil Rights Division, when asked about this incident, said that he had been requested to furnish any information or written memoranda relative to this.

He said:

> I have caused a thorough investigation of the records of the Department of Justice and I have found no such reports. I concluded that no such reports were made or received by the Department of Justice.
>
> I have been advised by Mr. Solis Horwitz, Assistant Secretary of Defense (Administration), that a thorough investigation has been made of the files of the Department of Defense and that no such reports were found. I am advised that no such written reports were made to or by the Department of Defense. I was also informed that two letters were sent by the Department of the Army to two Congressmen and that copies of these letters, together with an affidavit, will be furnished to the Court.

This affidavit was made in Federal court.

Also there was an affidavit made by Solis Horwitz, Assistant Secretary of Defense, who says in part:

> The undersigned has caused a thorough search to be made of the written records of the Office of the Secretary of Defense and of all components of the Department of Defense, including the Department of the Army, which said search revealed no written report to the Department of Defense, or to any of its components, from the Department of Justice prior to October 3, 1963, concerning possible civil disturbances in Selma, or the need for an Army reconnaissance * * *.

However, somebody in the administration did not get the word because in a letter, a copy of which I hold in my hand, from Brig. Gen. F. W. Boye, Jr., addressed to one of my colleagues in Alabama from across the aisle, the brigadier general, deputy chief, legislative liaison, says in part:

Brigadier General Eschenberg, Lieutenant Colonel Miller, and Lieutenant Colonel Jones, all of the 101st Airborne Division, did visit Selma, Ala., on the 3d day of October, 1963. The visit was made under authority emanating from the Department of the Army, where information had been received indicating that a civil disturbance beyond the capability of local authority to handle was a possibility in the Selma area. The Department of the Army issued instructions which resulted in the 101st Airborne Division being directed to develop a contingency plan for assistance should such aid be directed. As is customary and prudent in such contingency planning, discreet, limited reconnaissance was authorized by the Department of the Army.

I have no reason to doubt the word of any of the affiants, Mr. Speaker. But if the Justice Department and the Department of the Army are carrying on the Nation's business without reducing anything to writing, I think it is time that this House looked into that, also.

Mr. Speaker, that brings us up to the present date. This trouble in Selma started over a year and a half ago in which the Federal Government was an active participant together with the civil rights groups before there had ever been any semblance of trouble.

Mr. SELDEN. Mr. Speaker, will the gentleman yield to me at this point?

Mr. DICKINSON. I yield to the gentleman from Alabama.

Mr. SELDEN. The letter to which the gentleman has just referred was in answer to an inquiry that I made to the Department of the Army early in 1964.

At that time I was requested by local officials of Selma, Ala., to make a confidential check into certain allegations regarding actions of some of the personnel of the Army's 101st Airborne Division in or near Selma.

The letter which the gentleman from Alabama [Mr. DICKINSON] has in his possession was in answer to a number of questions which I propounded and sent to the Department of the Army. When I received their answer, this information was immediately forwarded to the officials in Selma who requested it and with my permission to use it in any way they saw fit.

Since those in Selma who requested that I keep this information confidential have released it to my colleague from Alabama [Mr. DICKINSON], I ask unanimous consent that the letter dated March 2, 1964, to me from Brig. Gen. F. W. Boye, Jr., be printed in its entirety.

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., March 2, 1964.

Hon. ARMISTEAD I. SELDEN, Jr.,
House of Representatives.

DEAR MR. SELDEN: This is in reply to your inquiry of factual data concerning activity in the Selma, Ala., area in 1963. A copy of your questions is attached for ready reference and answers thereto appear chronologically below:

1. The Army and Air Force have no knowledge of any aerial photographic reconnaissance being conducted of Selma, Ala., in the spring or summer of 1963.

2. There was no briefing of the 101st Airborne Division near Frankfort, Ky., with respect to an anticipated air drop of paratroopers in the Selma area.

3. Brigadier General Eschenberg, Lieutenant Colonel Miller, and Lieutenant Colonel Jones, all of the 101st Airborne Division, did visit Selma, Ala., on the 3d day of October 1963. The visit was made under authority emanating from the Department of the Army, where information had been received indicating that a civil disturbance beyond the capability of local authority to handle was a possibility in the Selma area. The Department of the Army issued instructions which resulted in the 101st Airborne Division being directed to develop a contingency plan for assistance should such aid be directed. As is customary and prudent in such contingency planning, discreet, limited reconnaissance was authorized by the Department of the Army.

4. The visit of the above-named officers on October 3, 1963, was not conducted incognito nor without any known contact of military forces in the area. On the contrary, the team flew to Craig Air Force Base by military aircraft, established contact with the base commander, and obtained from him desired information regarding base facilities. The base commander also furnished the team transportation into Selma in order that the team could view the town plot and determine the relative location of Craig Air Force Base to Selma.

5. A report was made by the team of officers to the Commanding General, 101st Airborne Division, covering the facilities at Craig Air Force Base and the geographic relationship of Craig Air Force Base to Selma. No report was made to the Secretary of Defense.

6. The Army has no knowledge of air transportation on military aircraft provided Martin Luther King from Montgomery, Ala., to Denver, Colo., in the latter part of September or the first part of October 1963. A check of the passenger manifest records of Maxwell Air Force Base, Ala., for the period in question failed to disclose any listing of Mr. King. If more specific information is available concerning this matter, the Air Force will be happy to check further.

I trust this information will be of assistance to you.

Sincerely,

F. W. BOYE, Jr.,
Brigadier General, GS, Deputy Chief of Legislative Liaison.

Mr. DICKINSON. I thank the gentleman from Alabama [Mr. SELDEN].

Once again, Mr. Speaker, I invite your attention to the enormity of such a situation when the U.S. Government could plan an armed invasion of an American city with the active cooperation of any pressure group before there had even been any hint or semblance of any trouble. An armed invasion probably by paratroopers dropped on an American city is unthinkable.

Mr. Speaker, in my speech of the 30th I made three general statements on which I propose to offer proof at this time.

In essence, I charged first, that the hard core of the demonstrators and marchers were human flotsam, they were beatniks, riffraff, degenerates, and that degeneracy, drunkenness and sex orgies were the order of the day for this group before, during and after the march.

Secondly, that regardless of the many, many sincere, devoted, dedicated, Christian and God-fearing people involved in the march, the undergirding structure that gave strength, cohesiveness, direction and financial assistance and the drive to the various groups was the Communist Party.

Thirdly, that the American taxpayer was subsidizing this type of activity to a very large extent.

Now, Mr. Speaker, here is only a portion of my proof and a fraction of the total proof available to any competent investigative agency.

As to item No. 1, the widespread sexual, immoral and drunkenness charge, I have in my possession at the present time or under my control over 30 sworn affidavits from eyewitnesses of sexual intercourse in public places, urinating in public, indecent exposure, drunkenness and acts of general degeneracy.

Here are some examples. At this point, Mr. Speaker, I recognize that I am faced with a dilemma. I have on the one hand the right to actually and factually present the facts to this House as they have come to me and as they were, but being familiar with the courts and criminal procedure I realize that at times the subject matter and the nature of the evidence is, to say the least, of an indelicate nature and I shall attempt, within the bounds of propriety—and I have sought the counsel of several of the older heads—to present as accurately and as factually as I can what I have contained in these affidavits, deleting some parts, paraphrasing some parts. But let me say that I have the originals here to exhibit to every Member of this House for you to read for yourself. If I have in any way misrepresented any part of it, you may take me to task.

Mr. Speaker, I have the affidavits broken down into three sections relating to the three different times, one time has to do with Selma, the buildup before the March. Another area in time has to do with the march at Selma and another area in time has to do with Montgomery, both before, during, and after the march.

Mr. BURTON of California. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. For what purpose?

Mr. BURTON of California. Merely to ask if the gentleman——

Mr. DICKINSON. I yield for a question; yes.

Mr. BURTON of California. Does the gentleman intend to charge specifically named people with crimes without their being given an opportunity to respond in the same forum?

Mr. DICKINSON. I do not intend to charge anyone with a crime unless it be a crime of that particular State—with one possible exception. The only way I can do this by reading the affidavits. I did not prepare the affidavits and I did not cause the information contained therein to be there, if that answers the gentleman's question.

Mr. BURTON of California. I am sure the gentleman realizes the effect of a

statement made on the floor on any individual charged with a crime.

Mr. DICKINSON. I thank the gentleman.

Mr. KEITH. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Massachusetts.

Mr. KEITH. I would trust the gentleman will establish the real reliability of his witnesses prior to quoting from them.

Mr. DICKINSON. In order that I may make that point quite plain, I am not going to vouch for the authenticity or the veracity of any affidavit or any individual whose affidavit I hold. I am presenting to this House the evidence which I have gathered through my own efforts, and if I make out a prima facie case, whether it be so or not, then I feel it is incumbent upon this House to take appropriate action of the House through the proper committee to ascertain whether or not these statements are true, and if they are true, to act on them, if that answers the gentleman's question.

Mr. BURTON of California. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from California.

Mr. BURTON of California. Has the gentleman personally ascertained from the affiants as to the truth and veracity of the allegations contained in their affidavits?

Mr. DICKINSON. All I can say, if the gentleman did not understand the last remark I made, I can reiterate those remarks and say further they are sworn to, they are under oath, they are assumed to understand the solemnity of an oath. I did not personally administer the oath, however.

Mr. BURTON of California. As I understand the gentleman's prior statement, he is not vouching for the truth or veracity of the facts alleged?

Mr. DICKINSON. That is correct. All I can say is these are statements given under oath before an official designated to take such oaths. They are in legal form, they are admissible in many instances in a court of law. I hope that will answer the question of the gentleman, and I may be allowed to proceed.

Mr. BURTON of California. I do not mean to delay the gentleman in his presentation, but would the gentleman just tell the House what specific steps the gentleman has taken, what specific steps, if any, were taken to ascertain the truth or veracity of the charges he is about to make? What, if any, steps has he taken to ascertain the truth and veracity of the charges?

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Iowa.

Mr. GROSS. Up to this point I have not heard anyone on the other side take a blood oath on the floor of the House of Representatives as to any statement they had personally made of their so-called experiences in Alabama, some of these who have made a business of running Alabama. For my part, I would like to hear the affidavits, and I hope the gentleman will not yield further until he has given us the information.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I recall when the gentleman made his first exposé on this floor of what had happened in Alabama during the notorious march, the bleeding hearts screamed and demanded that the gentleman come forward with the details. The gentleman has come forward with details in the form of sworn and signed affidavits. I trust that the gentleman will be permitted to proceed and indicate the proof which he has.

Mr. DICKINSON. I thank the gentleman from Mississippi.

May I say I will proceed now, and I will yield no further until the conclusion of my remarks.

Mr. RYAN of New York. I understand the gentleman refuses to yield?

Mr. DICKINSON. The gentleman is refusing to yield, yes.

As to the affidavits concerning the period relative to Selma, Ala., and the buildup of the march in Selma, I would read first a sworn statement by one Mayo that reads as follows:

STATE OF ALABAMA,
County of Dallas:

Before me, undersigned authority, in and for said State and county, personally appeared Paul Mayo, and being by me first duly sworn on oath, deposes and says:

"On March 15, 1965, I was in the Dallas County Courthouse when a mass march was made on the courthouse. I saw a man dressed as a priest in a black suit with a high collar in the parade. He stood in the frontline and was very unstable on his feet. He could not seem to keep his eyes open or keep them in focus when they were open. In my opinion he was a drunk man.

"About 20 feet from him standing between two cars was a very small female dressed as a nun who was holding to both cars to keep from falling. There was another man dressed as the first one with her. They would look at each other and smile. Then as the group went back to the church from whence they had come she was escorted by two Negro men who had to almost carry her.

"This is a true statement to the best of my knowledge.

"PAUL MAYO."

Sworn to and subscribed before me this the 7th day of April 1965.

JUD ERNEST HEWSTON, Jr.,
Notary Public.

My commission expires July 18, 1967.

STATE OF ALABAMA,
County of Dallas:

Before me, undersigned authority, in and for said State and county, personally appeared Mrs. Frances W. Martin, and being by me first duly sworn on oath, deposes and says:

"This is to certify that I, Mrs. Frances W. Martin, am 50 years of age, and I am employed in the courthouse, Selma, Dallas County, Ala., with an office on the third floor. I have witnessed the demonstrations in and about the courthouse since their beginning, both from my office windows and going in and out of the courthouse. I have seen young Negro men and young white women walking down the street holding hands or with their arms around each others' waists. I have also seen young white men and young Negro women doing the same thing and I also saw, on one occasion, a white man with both arms around a Negro girl, embracing her, hugging and caressing her bosom, and all this in full view of anyone and everyone who might chance to look their way.

"FRANCES W. MARTIN."

Sworn to and subscribed before me this the 6th day of April 1965.

JUD ERNEST HEWSTON, Jr.,
Notary Public.

My commission expires July 18, 1967.

Mr. BURTON of California. Would the gentleman identify Mr. Mayo to the House?

Mr. DICKINSON. I believe I made my point, that I would not yield further until I have finished. You may continue to interrupt if you want.

Mr. BURTON of California. Would the gentleman yield for a question as to the source of his information when he has finished his remarks?

Mr. DICKINSON. When I have finished my remarks in their entirety I will yield whatever time I have left and will be glad to comply with the gentleman's request as best I can. Will that satisfy the gentleman?

Mr. BURTON of California. I accept the statement.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. As I understand it, this statement was made before an officer who was authorized to acknowledge oaths, was it not?

Mr. DICKINSON. That is correct.

Mr. WILLIAMS. I wonder if the gentleman from California is questioning the authority of the officer who was notarizing the report.

Mr. DICKINSON. I have only 1 hour. I intend to finish my prepared remarks. I will yield no further on either side to any person.

I will read next the affidavit of Lionel Freeman. This again relates to Selma before any other part of the march.

AFFIDAVIT

I, Lionel Freeman, a captain in the Alabama State Troopers, in Huntsville, Ala., do swear and affirm, under oath, and under penalty of perjury that the following events happened or actually occurred in my presence and to my own personal knowledge while on duty out of Huntsville in Selma, Ala., from March 9 through March 16:

"During the march, or attempted march, from Selma to Montgomery on March 9, 1965, myself and the men under my command were stationed along the north side of the road just east of Pettus Bridge. While the march was stopped in the highway, one of the white beatniks, with a goatee, told one of my troopers, who was standing only a few feet from me he was being paid $10 per day, three meals, and all of the Negro (obscenity) he wanted. This same beatnik was observed for the next 8 days in Selma acting as some sort of leader around Sylvan Street, where the street demonstration was going on. He was in the company of a white girl part of the time and a Negro girl part time. The next time I saw him after Selma was when he came up Dexter Avenue on March 18—

I might add, that is in Montgomery, Ala.—

"While at the Sylvan Street 'Berlin Rope,' I and many others observed smooching and lovemaking between Negroes and whites. A news reporter called me over to the side of

the street and pointed to a couple just to the rear of the group standing in the street, a mixed couple, were in the act of having sexual relations. About this time, a priest broke it up and had the couple come up to the 'Rope.' It didn't seem to bother any of the three and they soon were all gone from the front of the line.

"On Saturday, March 13, they had an extra large crowd of both white and Negroes in the streets. They attempted to scatter and go around the blockade. One Negro who was standing beside a priest, and both standing about 3 feet from a line of troopers, made several attempts to provoke a trooper into hitting him. The Negro waved three dollar bills in the trooper's face and then dropped them, saying, 'Why don't you pick them up, I know you need it.' During this time, the priest just grinned. The Negro then said 'I'll sleep with a white woman tonight.' The priest seemed to think this was real funny. The priest and Negro would whisper back and forth and then laugh out loud. I overheard three beatniks talking, saying that they had been in Cleveland, Berkeley, Calif., and Harlem, and had come directly to Selma to join in the demonstrations there.

"On the afternoon of March 8, at about 6 p.m., as we were turning onto U.S. 80 at the intersection of Alabama 21, which is in downtown Selma, I, along with 30 of my men saw two men dressed as priests and four young Negro girls walk across U.S. 80. The priests were holding hands with two Negro girls each. The Reverend Reeb was beaten about 2 or 3 hours later.

"One tall priest was observed for several days around Sylvan Street, always in the company of a Negro girl of about 16 years of age. Anytime you saw one you saw the other, and usually they were holding hands. They were in the march to the courthouse in Selma on Monday, March 15. They went to and from the county courthouse holding hands.

"On the night of March 16, at 10 p.m., a group of 34 men, mostly dressed as priests, came from a Negro church in Montgomery to the front of the capitol. They stated that they wanted to get on the capitol steps to hold a 'prayer service.' They were told that they could hold their service on the walk but not on the steps. They stayed until 3 a.m., insisting that they be allowed up on the capitol grounds. After about 30 minutes, the news media were told to get out of the street and they moved across the street. Some of the men claiming to be priests cursed like sailors during these 5 hours. At 3 a.m., when they started to leave, two photographers, apparently in their employment, came running across the street. One of the men dressed as a priest said, 'You stupid son-of-a-bitch, after all this time here, you didn't get a picture of us saying a prayer on the bottom step.' They were finally allowed to kneel on the bottom step in attempt to get rid of them.

"During the 8 days in Selma, several newspapermen who were allowed to go to the rear of the demonstration came back up to the front and told us they observed white and Negro couples in the act of sexual relations. They told us that they had sent the story and pictures home to their papers. One told me that the only thing he recognized about his story when it was printed was his name. He had asked to be allowed to leave the Selma area but was refused by his paper.

"A Jewish rabbi who was on the 5-hour stand at the capitol was contacted by a trooper in a barber shop the next day. The rabbi stated that the leaders had lied to him. He stated that, 'they told me we'd only be at the capitol 45 minutes at the most, but after getting there they wanted to remain all night.' He said further, 'they want bodies and blood in the street, our bodies,' and 'I'm going home today and tell everyone how I've been lied to.'

"LIONEL FREEMAN."

Subscribed to and sworn before me this 5th day of April 1965.

GEORGE W. DEAN, Jr.,
Notary Public.

Let me say I do not believe for one moment that these people who had donned the clerical garb, who have simply put on the collars of clerical men, or any of the women with the nuns clothing, were members of religious orders. Nor do I believe that many of these were sisters of any religious order. There is no law against someone parading as a priest that I know of in my State, and I believe they were doing this in order to get by with many things that they otherwise would not get by with. I would like to make that point clear. This is a personal observation. There is no way of proving that they were not actually ministers, but this is my personal opinion.

I am firmly convinced and I believe most of those present are likewise convinced that without exception all participants in the demonstrations and marches who were wearing nuns' habits or clerical collars and who behaved in ways and manners unbecoming to the clergy were simply individuals trying to take advantage of the dignity and respect universally given people of the cloth. When bona fide people of the cloth come and mingle with and assist the spurious, the overall effect is to cause the general public to lose confidence in their religious leaders. After all, when they intermingle, who can tell the sheep from the goats? I feel very deeply that when the genuine devout men and women devoted to God's work participate in activities as I have described and lend their dignity and prestige they are doing themselves and those whom they represent a very grave disservice.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I decline to yield.

Mr. RYAN. Referring back to the gentleman's previous parenthetical statement of——

Mr. WILLIAMS. Mr. Speaker, I demand the regular order. The gentleman from Alabama declined to yield.

The SPEAKER. The gentleman has stated that he declines to yield.

Mr. DICKINSON. I am sorry if I hit a nerve every once in a while, but I will not yield further.

This is sworn to by Lionel Freeman before a notary public.

I have several more here relating to Selma but I am not going to get into them and there is no need getting into them. They are here for your inspection or anyone else's inspection for any legitimate purpose.

Secondly, I have several here relating to the march. This is actually on the road between Selma and Montgomery, Ala. I suppose as typical as any would be the one by Samuel M. Carr, lieutenant, Battery C, 117th Artillery, who deposes and says:

AFFIDAVIT

I, Samuel M. Carr, a first lieutenant in the Alabama National Guard, Battery C, 117th Artillery, Luverne, Ala., do hereby swear under oath and under penalty of perjury that the following facts are true and accurate in every respect to my own personal knowledge:

The National Guard unit of which I am a member was activated on March 20, 1965. We were assigned the task of guarding campsites of the Negro voter-protest marchers on their march from Selma, Ala., to Montgomery, Ala. This duty we commenced to perform on Tuesday, March 23, 1965, at 1 p.m., picking up contact with the marchers on Highway 80.

I hereby further swear and attest that during such time of duty with my National Guard unit I personally saw one case of sexual intercourse between a young white boy and a Negro girl. I further swear and attest that I saw an occasion of public urination in and near the campsites.

I further solemnly state that many of the Negro marchers, most especially the young ones, made remarks and statements to members of the National Guard which were, in my opinion, for the purpose of inflaming the emotions of said members of the Guard.

SAMUEL M. CARR,
First Lieutenant,
Battery C, 117th Artillery.

Subscribed to and sworn before me this 3d day of April 1965.

J. D. SMYTH, Jr.,
Notary Public,
Alabama, State-at-Large.

My commission expires May 20, 1968.

I have some five different accounts of activity on the march, St. Jude's being the Catholic city within Montgomery where they camped the last night and where entertainment was furnished by professional entertainers.

As to Montgomery, I have several affidavits here, one of which I read, as follows:

My name is James Duke. I am a captain in the sheriff's office of Montgomery County, Ala., and I reside at 516 Forest Hills Drive, Montgomery, Ala. On March 10, 1965, at approximately 1:20 p.m., I, in my official capacity as a captain of the sheriff's office, along with other law officers of the city of Montgomery and the State of Alabama, was on duty on Dexter Avenue in Montgomery, Ala., in the block as it ends at the front door of the Alabama State Capitol Building. A group of demonstrators arrived and were prevented from going any farther in their march to the State capitol than this particular block. These demonstrators, numbering more than 200, were told to leave and disperse but they sat down and laid down in the street. For the next few hours a good many of the demonstrators began to drift away, singly and in small groups. By 8 p.m. that night some 100 were left. The group was composed of a racially mixed crowd of both sexes, and included adults as well as juveniles. At approximately 8, one of the leaders, a colored man whose name I cannot recall but whom I believe myself able to identify from existing photos if necessary, stood and announced in a loud voice to the crowd, "Everyone stand and relieve yourselves." Practically the entire crowd in every admixture of age, sex, and color rose and a large number exposed themselves and urinated in the streets.

This goes on at length, but I believe it would serve no effective purpose to read that further.

This is an affidavit of a lady whose name I will not read, but it is on the affidavit. She lives in Montgomery, Ala. She affirms and swears:

I am now and have been a member of the City Police Department of Montgomery for over 5 years.

On March 15, 1965, at about 9:30 p.m., my husband and I were returning home from my

mother's home at 622 South Hull Street. We knew that there had been some trouble with demonstrators at High and Jackson Streets. We took Adams Street to avoid this, but as we approached Adams and Ripley Streets, we noticed a crowd of people. We stopped to see what was going on. There were white and Negro people all over the Ripley Street side of St. Margaret's Hospital and across the street, between Price's Drug Store and Powell Electric Co. They were all kissing and hugging. This one particular couple on St. Margaret's lawn were engaged in sexual relations, a white woman (a skinny blonde) and a Negro man. After they were through, she wiggled out from beneath him and over to the Negro man lying to the left of them on the lawn and started kissing and caressing his face—

She said she left. She winds up the affidavit—I am skipping a great deal of it—

I also worked at the jail 2 nights when we had to make quite a few arrests. I shook down the women prisoners, and most of them had no underpants on.

I have another affidavit of an eyewitness. This is a Negro who says:

AFFIDAVIT

My name is ———. I am a Negro ——— years old and a lifelong resident of Montgomery, Ala. I live at ——— Street in Montgomery. I am employed at ———.

During a 3-day period which I believe to be around March 8, 9, and 10, 1965, a great many people began to arrive in Montgomery to demonstrate here and to get ready for the march from Selma to Montgomery. During this period, I was frequently in and around the Ben Moore Hotel, a Negro hotel at 902 Highland Avenue, which was headquarters of the Student Nonviolent Coordinating Committee on the corner of Jackson and High Streets. Many of the outside demonstrators stayed at the Ben Moore Hotel and in the neighborhood. One man whom I saw frequently during this period was dressed as a priest. I was later told by a SNCC staff worker, whose name was Randy, that this priest's name is Lennon Sweat, and that he is from Philadelphia. When I saw him he was usually drinking wine or whisky in company with Negro boys and girls. On one occasion, I saw him go into the backroom at SNCC headquarters with a Negro girl. I saw them begin to take their clothes off. I did not see what they did. Later the girl told me that this priest, Sweat, had paid her $12. I, myself, had seen this priest hand the girl some money before they went back.

SNCC headquarters was located in a building with a large room up front which was used for an office. Off this room, in back, was a smaller room in which were about 12 to 15 canvas cots. During the period I am talking about, men and women used this room for sex freely and openly and without interference. On one occasion, I saw James Foreman, executive secretary of SNCC, and a red-haired white girl whose name is Rachel, on one of the cots together. They engaged in sexual intercourse, as well as an abnormal sex act which consisted of [deleted]. Foreman and the girl, Rachel, made no effort to hide their actions.

During this same period, March 8, 9, and 10, a large number of young demonstrators of both races and sexes occupied the Jackson Street Baptist Church for approximately 48 hours. These were not members of the church, or at least, most of them were not, but people who had come from out of town. I would estimate that there were at least 200 involved. In spite of pleas from the minister and other members of the church, these people would not leave. I saw young boys and girls drinking beer and whisky in the church and having wild parties in general. They left the bottles and cans all over the church. I saw numerous instances of boys and girls of both races hugging, kissing, and fondling one another openly in the church. On one occasion, I saw a Negro boy and a white girl engaged in sexual intercourse on the floor of the church. At this time the church was packed and the couple did nothing to hide their actions. While they were engaged in this act of [deleted], other boys and girls stood around and watched, laughing and joking.

This statement, which I make freely and of my own accord, and which has been read back to me, represents incidents which I have personally witnessed.

[Deleted]

Subscribed and sworn to this 12th day of April 1965.

CHAUNCEY D. WOOD,
Notary Public.

My commission expires November 19, 1965.

I could go on. I have some 30-odd affidavits. And I do not have any more staff than any of you gentlemen. These are just people who have come forward when they knew that I was seeking to substantiate my charges. They have voluntarily given me their affidavits. I think this more than substantiates anything I might have said before. As a matter of fact, I believe I minimized the situation when I discussed it earlier. For some reasons the facts and the photographs of some of these events have been exaggerated in the press in my opinion, all out of proportion. Relative to the photographs of the various activities, I said on March 30, and I quote:

There were many, not just a few, instances of sexual intercourse in public between Negro and white. News reporters saw this and law enforcement officials. Photographs were taken of this, I am told. I have not seen the actual photographs, but they are being processed and compiled.

I said it on March 30, and I have never made any contrary statement. I have talked to the executive director of the Alabama Commission for the Preservation of the Peace, a joint legislative committee of the State of Alabama, and the director informed me that he hired a professional camera crew that shot thousands of feet of film which he has photographed to substantiate every fact in my speech, which would be made available to the proper committee of this House. I have no reason to doubt the statements of this official.

It is further my observation the interest displayed in such photographs taken by some of the media is in direct proportion to the anticipated salaciousness. I do not intend to make this a sort of Roman holiday, even if I had the photographs with me today.

I have been asked privately and in print, if all of this is true, why did no reporters see it and why no newspaper carried it. It is a fair question and I am glad to answer it. The fact is that it was seen by many but was hushed up. I have in my hand an article by Kelso Sturgeon, Associated Press reporter, where it appears, among other places, in the Lynchburg, Va., News of Friday, March 12, 1965. It says:

SELMA, ALA., (AP).—An all-night prayer vigil for the recovery of the brutally beaten Unitarian minister of Boston was not devoted to prayer alone. There was also a medley of chatting, laughing, and lovemaking through the long, chilly night.

He goes on to describe it at some length. Also in the Birmingham News dated March 28, 1965, the following story was carried:

Love-making in open definitely occurred in Selma prayer vigil. Alabama has been rife with rumors of widespread immorality among civil rights demonstrators during and before the march on the State capitol at Montgomery. Charges have included illicit relations in the streets of Selma and at the march campsites.

Skipping a part of it, now it goes on:

As for the immoral actions in Selma, city public safety director, Wilson Baker insists it very definitely was so. He said it occurred during the so-called all-night prayer vigil. An Associated Press reporter, Kelso Sturgeon, was at the scene that night and told about it.

Sturgeon said:

I saw at least three couples involved in intercourse. There was considerable other hanky-panky.

Mr. Speaker, I personally contacted Mr. Kelso Sturgeon in Atlanta, Ga., and he substantiated the Birmingham News article and said he would give me a sworn statement to that effect but first he wanted to check with his boss.

When I called Mr. Sturgeon the next day he informed me that he had checked with his immediate supervisor, Mr. Ron Autry, chief of the Atlanta Associated Press Bureau, and Mr. Autry told him it was against the Associated Press policy to sign such a sworn statement.

One of my assistants contacted Mr. Autry and confirmed what Mr. Sturgeon had told me.

However, Mr. Autry said the writers and photographers under his jurdisdiction could give a sworn statement only if they were subpenaed.

Of course, Mr. Speaker, a committee of this House can subpena, but not I as an individual Congressman.

Mr. Bill Hudson, an Associated Press photographer from Memphis, was also contacted by my assistant and said he was with Kelso Sturgeon in Selma and saw firsthand the same obscenities described in the Birmingham News article, but could not sign a sworn statement because Associated Press would not permit him to do so.

Other writers covering the demonstrations at the same time were Horace Cort, Associated Press of Atlanta, and Philip Sandlin, United Press International, of Columbia, S.C.

Both of these men also refused to sign sworn statements of what they saw during the all-night encampments of the demonstrators in Selma.

My question is, Mr. Speaker, if one or all of these reporters saw acts such as I have described, why was that part of the march not reported?

And why are they prohibited from making a sworn statement of the truth?

Item 2: Let us look at the character of the leaders of the racial agitators, or rather, perhaps I should say, the characters who lead the movements.

On the platform in Montgomery we had Rev. Fred Shuttlesworth, ex-convict and bootlegger, who saw greener pastures in the civil rights movement.

He is now president of the Communist-front organization, the Southern Conference Education Fund, successor to the Southern Conference for Human Welfare which this body's Committee on Un-American Activities has cited as subversive.

Who do you think is, or was, treasurer of president Shuttlesworth's organization? Benjamin Smith, a registered lobbyist for Communist Cuba.

Have you ever heard of Anne Braden? She is a director of this "fine" organization. Anyone with a passing knowledge of communism in the United States recognizes Anne Braden and her husband, Carl Braden, who have been many times identified by witnesses under oath as Communists.

What of the husband, Communist Carl Braden? Well, he was at the march site, too.

Next, Bayard Rustin, a convicted sex pervert and a Communist organizer of many years. I commented on him in my original talk. You might remember him as one of the leaders of the Washington march a couple of years ago. Rustin was right up front in the march between Selma and Montgomery.

Mr. BURTON of California. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. No, sir.

Then there is A. Philip Randolph who was seen at the Montgomery airport.

Leon Bibb was an entertainer.

All are interconnected and tied together by memberships in various Communist-front organizations or Communist-affiliated organizations.

For a quick, comprehensive study of most of these people and their organizations, I refer you to volumes 1, 2, and 3 of the Joint Legislative Committee on Un-American Activities of the State of Louisiana.

May I also refer you to the CONGRESSIONAL RECORD of February 3, 1965, pages 1943–1953. This further documents my statement.

I have omitted the No. 1 lieutenant of the civil rights drive. That is Rev. Ralph Abernathy.

According to the sworn testimony in Circuit Court of Montgomery County, Ala., case No. 8741, this great, righteous preacher who is so concerned with the dignity of man, Reverend Abernathy, seduced a 15-year-old member of his church and had not only illegal relations with her but had unnatural relations with her.

Everyone I presume is familiar with the picture of Martin Luther King taken in the Communist Training School, called the Highlander-Folk School, in Tennessee.

The Un-American Activities Committee of Louisiana has documented a financial tie-in between Martin Luther King, James Dombroski, Carl Braden, Anne Braden, as well as a social tie-in.

Martin Luther King invited the Bradens to become members of his Southern Christian Leadership Conference.

The Southern Conference Educational Fund financially supported SNCC.

Syndicated Columnists Evans and Novak said in the Washington Post recently:

While successfully forcing an emergency voting rights bill, Martin Luther King surrendered valuable ground to leftist extremists in their drive for control of the civil rights movement. The sad truth is that King at times abdicated command of demonstrations to the two hot-headed extremists who head up the Student Non-Violent Coordinating Committee. There is no doubt whatever that SNCC is substantially infiltrated by beatniks, leftwing revolutionaries and—worst of all—by Communists. SNCC and its leaders aren't interested in the right to vote or any attainable goal. They are interested in demanding the unattainable as a means of provoking social turmoil. As revolutionaries they aren't about to pitch into the hard task of actually registering voters. In a sort of reverse McCarthyism—moderates and Government officials have feared to point out the degree of Communist infiltration into the rights movement.

The relationship of the Communist Party and these parties is so intricate and complex that it cannot be intelligibly developed by me in one short address, but the facts are there and the knowledge is available to anyone willing to see. None is so blind as one who will not see.

Mr. Speaker, one of the best-known people in the world today is "King" Martin Luther. He can see the President at will and if he has any trouble, the Vice President will get him in.

I charge here today that Martin Luther King is a fake. His sincerity is in direct proportion to the collections he takes up, and he does not have to account to anyone or anything. Who knows how much money he is making? Every time there is another incident they pass the hat again. He is privileged above anyone else.

Mr. Speaker, as a Member of Congress I can learn where every nuclear submarine is located, its rocket load, its accuracy, its destructive capability. As a matter of fact I was privileged a few weeks ago to be invited to go on one of these things, a nuclear submarine, to go into the war room and find out where all of the submarines were that were loaded with atomic warheads. As a Member of Congress I can get this information. But as a Member of Congress I cannot find out what this Government knows about Martin Luther King.

When I asked for a look at the FBI files on "King" Martin Luther, I got this answer.

I insert my letter and the reply:

APRIL 16, 1965.

Mr. J. EDGAR HOOVER,
Federal Bureau of Investigation,
Washington, D.C.

DEAR MR. HOOVER: I would like to request that I be sent whatever information your agency has in its files on Dr. Martin Luther King and particularly that information that pertains to Dr. King's affiliations with Communist and Communist-front organizations.

I would also like to obtain or to inspect personally that data and information which your agency has on the Southern Christian Leadership Conference and the Southern Conference Education Fund.

As you know, I have spoken recently on the floor of the House on the connection between the recent civil disturbances in my home State and the Communist Party.

I look forward to an early reply.

Sincerely,

WM. L. DICKINSON.

FEDERAL BUREAU OF INVESTIGATION,
U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., April 20, 1965.

Hon. WILLIAM L. DICKINSON,
House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN: Your letter of April 16, 1965, has been received, and I can readily understand your desire to obtain data from FBI files on the individual and organizations you mentioned.

While I would like to be of service, information in our files must be maintained as confidential pursuant to regulations of the Department of Justice. I trust you will understand my position.

Sincerely yours,

J. EDGAR HOOVER.

Mr. Speaker, if there is a matter of national security, a Member of this House can find out. But if it has to do with a political front organizer such as Martin Luther King, a Member of this House cannot find out.

What is the answer to this? The answer is, it is strictly political and nothing more.

Last, and most important, what interest is this to this House? Why do I bring it before you? The fact is that this Communist front and these degenerate acts have been financed by your and my tax dollars, over $1 million of the taxpayers' money, which went to subsidize this infamous march from Selma to Montgomery.

Mr. Speaker, if what I say is true, if I have made out a prima facie case, if I have just raised enough of a question to bring about an inquiry so that this House by appropriate action would then look to see as to whether or not this has been a $1 million expenditure of tax money for this type activity, then I will have served my purpose.

Mr. Speaker, this is a very grave charge that I have made. I have substantiated my previous charge. I believe that an appropriate committee of this House, if it would look with any amount of diligence into this matter, can substantiate the rest of it. I can only say that when the truth is known and sooner or later the truth will come out about "King" Martin Luther, this modern-day, dusky Elmer Gantry, the truth will bear me out, that this is not a righteous leader for civil rights, but this man is a self-serving individual who cares more for self and more for self-aggrandizement than he does any other thing. It is unthinkable that American tax dollars are being used for this purpose and in this way. Congress should stop it.

Mr. Speaker, this concludes my prepared remarks.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Speaker, in connection with the gentleman's comment concerning Communist activities, I should like to present some of my own views on this.

Mr. Speaker, skeptics doubt the possibility of Communist participation in racial frictions in Alabama of recent weeks: wild disorder, deliberate provocation of violence, and great pressures brought to bear for new voting rights legislation.

The skepticism is the same kind which has been shown in many cases where Communist involvement has later become obvious.

As helpful comment on this matter I wish to bring to attention the following two items from the Mobile, Ala., Press of April 17, 1965. The first is a column by Mr. Henry J. Taylor. The second is an editorial of the newspaper:

"GHOSTLY ETERNAL PRESENCE"

(By Henry J. Taylor)

It's astounding, but true, that the Communist Party, U.S.A., actually planned the Johnson administration's Voting Rights Act of 1965.

This is not to argue the merits and demerits of this bill. That's a different topic. Federal intervention may be needed, and this bill is pending. But the veil should be lifted on a fact of history, certainly unknown to our public and probably unknown even to most Congressmen and Senators who will vote "yea."

They will be voting a 1956 project designed in Moscow.

Soviet attention to our legislation has always been much more constant and effective than we suppose. The pen of Lee Pressman, who later confessed to having been a Communist, trails all through our initial agricultural act and the labor legislation sponsored by the original Congress of Industrial Organizations, of which Pressman was an official.

Well, the Red shadows still breathe and glow.

Foreign Minister Andrei Gromyko is the Kremlin"s top specialist on American affairs. He knows our country like Mickey Mantle knows the Yankee Stadium. Nobody in the Soviet hierarchy even approaches his staying power, for he has survived every purge on his knowledge of the United States.

GROMYKO

I encountered Gromyko's expertness again and again during Geneva conferences. In fact, I came to know this Red leader when his concentration on our country began a full 21 years ago. This was during the 1944 Dumbarton Oaks Conference called to design the United Nations.

He's acquainted with a surprising quantity of American political, trade-union and industrial leaders on an after-hours conversational basis. Some like Mr. Bernard Baruch, whom he respects, always have had his number, but nothing chills this already cold man in his search for leverages against our internal stability and especially our legislation.

Gromyko's bland, sphinx-like personality reminds you of a magician who comes on stage without tables or props—just a handkerchief hidden in his hand. Then for 20 minutes he pulls unexpected things out of it.

For example, in an airplane flying the Atlantic, Gromyko once suddenly recited to me the foreign-born percentages in our chief trade unions and in our 12 largest cities, and then mentioned in passing that more Czechs live in Chicago than in any city except Prague.

Or listen to Gromyko on another occasion. "Mr. Taylor," he said, "what you Americans call 'law' is really a form of politics." He didn't just say that. He thinks that. Such are the notes he plays when he calls the tune for Kremlin policy inside our country.

This means Gromyko calls the tune for the Communist Party, U.S.A. In December, 1956, that party began a program which it named the Lincoln project. Its target date for fulfillment should interest us today—1965.

PLAN

At its inception in 1956 the plan was published in Philadelphia by the respected American Flag Committee and read:

"To implement the Lincoln project, the Communist Party's Central Committee will begin to dispatch agents to 11 Southern States next month (January 1957) to work with local party leaders in surveying 20 counties, any one of which might be ideally suited as a target for disorder early in 1965.

"This survey will continue through 1957, the Central Committee making the choice of 20 counties * * * with the final selection to be made on the estimated most favorable conditions prevailing in 1965.

"The legislation which the party will seek from Congress in 1965 has already been prepared by its legal staff. It provides for elimination of all educational requirements, including minimum literacy tests, as qualifications for voting in Federal, State, and local elections; voids residence with respect to counties, municipalities, and other political subdivisions within a State, and establishes a system of direct Federal supervision and control of the local, county, State, and Federal elective process."

Evidently the House and Senate will pass the Voting Rights Act of 1965 after debate and amendment. To repeat, its merits and demerits are another matter. Nevertheless, penetrating—and exposing—the Soviet's secret interest in any legislation is important to our lawmakers and our public alike. The "Lincoln project" and the example of this bill is a revelation of the ghostly Reds' eternal presence.

AMERICANS SHOULD BE ALARMED IF REDS DID PLOT VOTING LAW

Henry J. Taylor may have done the Nation a fine service Friday when he revealed in his Saturday column in the Mobile Register that "the Communist Party, U.S.A., actually planned the Johnson administration's Voting Rights Act of 1965."

After expressing the opinion that Soviet Foreign Minister Andrei Gromyko, a knowledgeable man in the field of American internal affairs, calls the plays for the Communist Party, U.S.A., Taylor went on to explain that the party began a program which it named the Lincoln project.

At its inception in 1956, the plan was published in Philadelphia by the respected American Flag Committee. It follows:

"To implement the Lincoln project, the Communist Party's Central Committee will begin to dispatch agents to 11 Southern States next month (January 1957) to work with local party leaders in surveying 20 counties, any one of which might be ideally suited as a target for disorder early in 1965.

"This survey will continue through 1957, the Central Committee making the choice of 20 counties * * * with the final selection to be made on the estimated most favorable conditions prevailing in 1965.

"The legislation which the party will seek from Congress in 1965 has already been prepared by its legal staff. It provides for elimination of all educational requirements, including minimum literacy tests, as qualifications for voting in Federal, State, and local elections; voids residence with respect to counties, municipalities, and other political subdivisions within a State, and establishes a system of direct Federal supervision and control of the local, county, State, and Federal elective process."

Now is it by coincidence that Attorney General Katzenbach patterned the 1965 voter rights bill almost precisely after the Communist draft?

One might also assume that the demonstrations at Selma and other places were not spontaneous, but were part and parcel of the Lincoln project plan of Communists to dictate our voting rules.

To be sure, such places must have been considered ideally suited as targets for disorder early in 1965.

Did President Johnson at the time he made his "We Shall Overcome" voter rights speech to Congress know of the existence of the Communist plan? And is he now aware of the very well established fact that there were Communist influences in the Selma demonstrations?

Or does he simply choose to ignore these facts and to claim for himself and Martin Luther King the "credit" for a revolutionary change fathered by Communist elements in this country?

We hardly see how he could simply be naive about the situation, yet it is unbelievable that he should go to such great lengths to follow out the Communist prescription.

The President knows full well that the Reds are out to divide and conquer the United States. They have so stated on many occasions. Among their techniques is to destroy the religious faith of our people. This, too, to a great extent, is being accomplished today as more and more congregations are divided and bickering over basically social and political matters.

Another prime aim of the Communist Party, U.S.A., is to destroy our moral strength. The sex orgies that occurred in Selma, Montgomery and on the march between the two cities, were an effective medium through which to accomplish this objective.

Even though clergymen marched with them by day, some of the demonstrators carried on their interracial sex activities in extreme fashion by night, as if such conduct was accepted and appropriate in this new age.

So, through the election process, court edicts, the brainwashing of the executive and lawmaking branches of government, powerful propaganda about human rights, the Communists are making frightening headway in their effort to make this once great nation bury itself.

To consider it otherwise is to miss the whole point, which is precisely what Communist chieftains want and expect us to do. They believe we are pretty stupid, and the evidence thus far seems to bear them out.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Alabama.

Mr. SELDEN. In connection with the cost of the Selma to Montgomery March to the Federal Government, I have a letter that I received today from the Department of the Army which states:

HEADQUARTERS, DEPARTMENT OF THE ARMY, OFFICE OF THE SECRETARY OF THE ARMY,

Washington, D.C., April 20, 1965.

Hon. ARMISTEAD I. SELDEN, Jr.,
House of Representatives.

DEAR MR. SELDEN: This is in response to your inquiry concerning the costs of the Federal protection provided the Selma-to-Montgomery civil rights marchers.

The total costs incurred for the Federal protection during March 20, 1965 to March 29, 1965 were $492,948. The costs include both the National Guard units called to active

duty and the Active Army units participating in the operation.

I trust this information will be of assistance to you.

Sincerely,

REX R. SAGE,
Colonel, GS Office,
Chief of Legislative Liaison.

Mr. Speaker, it should be emphasized that this letter refers only to the march between Selma and Montgomery. I am certain there have been many other costs. The Federal taxpayers in connection with recent demonstrations in Alabama.

Mr. DICKINSON. For the record, let me ask, does that show how much, if any, went into communications?

Mr. SELDEN. As I pointed out, this includes only the period from the 20th to the 29th of March. I am quite certain there have been additional Federal expenditures since the demonstrations began last January.

THE SELMA, ALA., SITUATION

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 30 minutes.

Mr. RYAN. Mr. Speaker, I rise at this time on an afternoon when the House has listened to as unwarranted and improper attack on the civil rights movement as has ever been heard.

I am sure that the gentleman from Alabama remembered the old legal adage: When you do not have the facts on your side, try the opposition.

He has attempted to divert the attention of this House and the country from the true facts in Alabama, which brought the President of the United States before a joint session of Congress in a magnificent address on March 15 to tell us and to tell the country it was time the 15th amendment to the United States Constitution and its promise be fulfilled.

There is no question about the denial of voting rights in Alabama; there is no question about this injustice to Negro citizens for 100 years; there is no question about the need to have significant voting rights legislation.

I am sure that the Reverend Martin Luther King needs no defense from any Member of the House. We have witnessed this afternoon an attempt at character assassination which, in my judgment, should not go unanswered, an attempt to smear the character of a great American on the floor of this House, one who is a Nobel Peace Prize winner. It is ironic that Dr. King who has been honored throughout the world as a true champion of human rights should be pilloried before the House of Representatives of his native land.

Then there was an attack leveled upon those dedicated individuals, priests, rabbis and ministers, the clergymen of this country and the nuns whose conscience has been aroused and who expressed their commitment to human rights in the march from Selma to Montgomery.

It is a dastardly thing to present on the floor of the House unverified affidavits, the veracity of which by his own admission has not even been looked into by the gentleman who presents them, and which malign the character and ascribe immoral acts to priests, nuns, rabbis, and others in religious life. It is difficult to believe we would witness such an attack, but here it is.

The important thing for us to remember is that the issue before America is the achievement of full equality for all of our citizens. The immediate task before this House is the enactment of legislation to guarantee the right of every citizen in this country to vote. When the franchise is realized, then I am sure the citizens of Alabama will answer at the ballot box the charges which have been leveled from the floor this afternoon in an attempt to divert the attention of this country from the real issues—murder, violence, intimidation—used to deny constitutional rights.

Mr. RESNICK. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I yield to the gentleman from New York.

Mr. RESNICK. I thank my distinguished colleague for yielding.

It comes to me as a terrible shock to hear anyone use the sanctuary of this distinguished body for the charges we heard for 1 hour, charges that were not substantiated, not identified. It seems to me that if the distinguished Member from Alabama had this evidence and had these affidavits with real people's names on them, this gentleman would make these charges off the floor as well as on the floor.

I should like to make a statement that I will make on or off the floor. I should like to read these statements:

STATEMENT ON MORALITY IN SELMA CRISIS

We, the undersigned, having been individually present in Selma during the recent crisis present herewith our sworn statements on what we personally saw and know to be the truth about the conduct of those present.

Besides our personal statements appended, and the text of telegrams from other clergy also present, we do assert in the name of justice and accuracy and under the judgment of the Lord, the following corporate witness:

Irresponsible accusations have been made that the general atmosphere of the Selma-to-Montgomery march was degenerate and that acts of sexual immorality were brazenly committed.

We who were present in various phases of preparation for and execution of the march, and who worked closely with Dr. Martin Luther King and other leaders of Southern Christian Leadership Conference, saw only evidences of conduct in keeping with the Judeo-Christian ethic.

We carried out the positive convictions of our respective consciences. It was our intent to lend dignity and to exemplify Christian concern for human rights. This we did. This we will continue to do as long as it is necessary.

The Reverend Richard F. Dickinson, missionary, United Church of Christ in Japan, studying at San Francisco Theological Seminary, California, was on night security patrol and marched most of the way to Montgomery. Was in Selma 1 week before the march. Has been in Camden, Ala., the last 4 weeks. (Disciples of Christ.)

Sister Mary Leoline, B.V.M., Kansas City, Mo. She marched the entire way. (Roman Catholic.)

James Martin, president of the student body of the San Francisco Theological Seminary. He represents 60 students from that school who worked each day on the tent and cleanup crews. (Presbyterian.)

Msgr. Victor G. Moser, pastor of Annunciation Church, chairman of the Kansas City, Mo., Council on Religion and Race. He was in Alabama during the entire march and marched 3 days. (Roman Catholic.)

The Reverend Dom Orsini, rector, St. Luke's Episcopal Church, Pittsburgh, Pa. He marched all the way. (Episcopal.)

The Reverend Morris Samuel, director of the Parish of East Los Angeles, and head of the security detail for the entire march. A priest from Los Angeles, Calif., who went to Selma on March 9, 1965, and spent the following 5 weeks there. He was there the longest of the panel and his wife and children joined him for part of the time. (Episcopal.)

The Reverend Canon Kenneth Sharpe, National Cathedral, Washington, D.C. He was in Selma 3 days before the march. (Episcopal.)

The Reverend William R. Shaw, director of the Department of Economic Life, General Board of Christian Social Concerns of the Methodist Church. He marched the entire way. (Methodist.)

Norman Truesdell, a ministerial student at the Wartburg Theological Seminary in Dubuque, Iowa. He was described by Congressman DICKINSON as one who dropped out in disgust at immorality on the march which is not true. (American Lutheran Church.)

FICTION AND FACT ABOUT THE SELMA-MONTGOMERY MARCH

(Issued by clergymen who were in the March)

1. Fiction: Congressman WILLIAM L. DICKINSON stated (CONGRESSIONAL RECORD, p. 6334, Mar. 30) that Rev. Norman Truesdell, of Dubuque, Iowa, left the Selma-Montgomery march in disgust over the "immorality" on the march.

Fact: Statement by Reverend Truesdell, Wartburg Theological Seminary, Dubuque, Iowa, (daily CONGRESSIONAL RECORD, p. A1596, Apr. 1) (the above charges of Congressman DICKINSON): "I saw no evidence of this alleged immorality * * * I was not disillusioned, but inspired by the freedom marchers' responsible Christian conduct."

2. Fiction (CONGRESSIONAL RECORD, p. 6334, Mar. 30), the Congressman stated that Rabbi Richard Rubenstein, of Pittsburgh, left the freedom march in disgust over the "immorality" on the march.

Fact (daily CONGRESSIONAL RECORD, p. A1819, Apr. 13): Rabbi Rubenstein was not even on the march. He was in Pittsburgh at the time of the march. He had been in Montgomery March 15 and 16, a week prior to the freedom march, and said, "I can testify that the moral conduct of our students was beyond reproach." The attached April 26 telegram from the Rabbi underscores this point still further.

3. Fiction (CONGRESSIONAL RECORD, p. 6333, Mar. 30): The alleged text of an alleged circular inviting marchers to a burlesque review each evening is included in Congressman DICKINSON's statement and described by him as having been "actually handed out to the marchers by some of those participating in the march."

Fact: No such leaflet or anything remotely resembling it was seen on the march or at any other time by the undersigned nor by any of the many participants in the march questioned on this subject by the undersigned, nor has the Congressman making the charge yet produced any proof that such a leaflet was produced or circulated by the marchers.

4. Fiction: The above alleged leaflet stated that "tent 9 will be pitched each evening ahead of the march" (for a burlesque show).

Fact: There was no "tent 9" nor any other tent for entertainment purposes. There

were four tents, one for women and one for men, one for food and one for the press. All these tents were under the steady surveillance of the security guard during the night. Many of the tent, cleanup, supply, and other workers (mostly ministers, priests, and seminary students—all male) slept in the food tent (and in the press tent when that was not occupied by reporters). A notarized document substantiating these items, and signed by seminary students who were working with the march is available from the San Francisco Theological Seminary, San Anselmo, Calif.

5. Fiction (CONGRESSIONAL RECORD, p. 6333, Mar. 30): Congressman DICKINSON states that "drunkenness and sex orgies were the order of the day" on the road to Montgomery.

Fact: The Birmingham News, March 28, after reporting various alleged immoralities prior to the march, stated, "The charge that similar activity took place at the various campsites during the march to Montgomery could not be substantiated." The Birmingham News had a reporter accompanying the entire march.

A news truck was constantly and immediately in front of the marchers. Cameramen, with long-distance lens, rode up on the bed of this truck and could bring the entire line of march into the focus of their cameras. Helicopters with news cameramen frequently hovered low over the marchers. Reporters and news photographers from major news media, including the Birmingham News, went constantly up and down both sides of the marching line, looking for unusual and news-worthy items. Just the sight of a marcher cooling his feet in a roadside pool was enough to bring a dozen photographers to the scene.

Surely it is obvious that, under the close and continuing surveillance described above, any illicit activity such as the Congressman described as being "the order of the day" would have immediately been spotted by newsmen and have brought a score of cameramen racing to the scene. But, to this day, no picture and no report of any such alleged illicit act on the march has come from any of the many newsmen accompanying the march.

6. Fiction (CONGRESSIONAL RECORD, p. 6333, Mar. 30): After alleging that drunkenness and sex orgies were the order of the day, Congressman DICKINSON said, "photographs were taken of this, I am told. I have not seen the actual photographs, but they are being processed and compiled."

Fact: The photographs at last being produced by the Congressman as evidence should be closely examined by all to see whether they actually reveal illicit activity or are deemed worthy of attention by the Congressman simply because they show interracial fellowship.

Other photos are of unidentified objects, such as one that shows an ash tray stand with debris piled on the floor at its base. In this debris is a contraceptive device that could have been put there by anyone. The context of the picture gives no clear indication where in the United States of America the ash tray and the debris are located. Yet we are asked to accept this photo as evidence of debauchery by those on the march.

7. Fiction (CONGRESSIONAL RECORD, p. 6334, Mar. 30): The Congressman states that only the Communist Party could weld together into one force the many diverse groups he describes as being a part of the march.

Fact: To the charge that the civil rights movement is Communist influenced U.S. Attorney General Katzenbach replied (Associated Press, Apr. 4, 1965) "I don't think it is true at all. Communists and leftwing people have been remarkably unsuccessful in actually influencing any decisions and certainly have not captured any of the leadership."

STATEMENT ON MARCH FROM SELMA TO MONTGOMERY, MARCH 21–26, BY THE REVEREND MORRIS B. SAMUEL, DIRECTOR, PARISH OF EAST LOS ANGELES

I went with full support and encouragement of the bishop of the diocese of Los Angeles, Rt. Rev. Francis Eric Bloy.

This statement is dictated over the long-distance telephone in case I am not able to leave Los Angeles because of the bomb threat to my family from racists due to my activities in support of interracial brotherhood.

Four days before the march on Montgomery, I was selected to be night security officer for the march. It was my duty to find 30 other men, mostly clergymen, who would be responsible for maintaining internal security and for seeing that there was liaison between the military and Government officials at nighttime.

During the night there was always a 10-man guard platoon on duty at the tents, generators, and main access road. There were three shifts of such platoons each night. Approximately two-thirds of each platoon consisted of ministers and priests.

There was no—repeat—no "entertainment" tent as has been alleged by some. There were four tents, one for women and one for men, one for food and one for the press. All these tents were under the surveillance of the security guards during the night.

During the entire march, no incidents of immorality nor evidence of such incidents was seen by any member of the security guards. Quite contrary to the charges of some, there was absolutely no litter or debris around the tents at any time that gave any evidence of immoral activity.

The part our security forces were able to play was a living out of the servanthood theology that clergymen must play in the movement for human freedom represented by the Selma-Montgomery march. We had a serious responsibility and we carried it out enthusiastically and vigorously.

I was on duty at Selma 5 weeks. It was my privilege to bring my wife and my three children (ages 4, 5, and 9) into this community, where they experienced the genuine Christian fellowship that comes from living and working with those striving to gain the freedom which rightfully belongs to all men by virtue of their creation in the image of God.

As an Episcopal priest with clearly defined duties before, during, and after the march, I say categorically that the behavior observed by myself and my associates was in the best Christian tradition and that the charges of sex orgies, drunkenness, and other misbehavior on the Selma-Montgomery march are not true. The Selma-Montgomery march is one of the finest chapters of responsible Christian action in our day.

TELEGRAMS RELATING TO SELMA-MONTGOMERY MARCH

To: Bishop John Wesley Lord, Washington, D.C. (Apr. 26, 1965).

From: A. J. Carter, Jr., Pastor, First Methodist Church, Fremont, Calif.

Civil rights demonstration in Selma, Ala. has been in finest tradition of responsible American citizenship. Participants conducted themselves with high standards of personal and social morality. I am proud to have marched with Southern Christian Leadership Conference, March 16–21.

To: Bishop John Wesley Lord, Washington, D.C. (Apr. 26, 1965).

From: Rev. J. Richard Hart, chairman, board of Christian social concerns, California-Nevada Conference of Methodist Church.

Spent 6 days in Selma, including first day of Montgomery march. Great witness for freedom. Focused eyes of Nation upon existing inequalities. Disturbed by charges of immorality among marchers. Saw absolutely no evidence of this. Impressed by religious tone of movement and total commitment to Christian love and nonviolence.

To: Bishop John Wesley Lord, Washington, D.C. (Apr. 26, 1965).

From: John H. Emerson, pastor, Trinity Methodist Church, Santa Clara, Calif.

DEAR BISHOP LORD: As a participant in the Selma-to-Montgomery march, I can report that I witnessed no immoral behavior among marchers as alleged. I want to lift up the moral force of goodness and justice which prevailed, overshadowing any isolated incidents that might have occurred.

Sincerely.

To: Rodney Shaw, Washington, D.C. (Apr. 26, 1965).

From: Father Sherrill Smith, assistant executive director, (Catholic) Bishops committee on Spanish-speaking people, San Antonio, Tex.

I walked every step of way from Selma to Montgomery. In camp 4 nights. Saw nothing of sex orgies, etc., charged by Alabama. Place my protest with yours against Southern sex-obsessed attempt to discredit march. Substance and purpose of march were legitimate and good. Even if calumniators were correct does a person's brand of sins deny right to vote and protest? More shame on Alabama.

To: Rev. Rodney Shaw, Washington, D.C. (Apr. 26, 1965).

From: Rev. Canon Paul S. Kyoer, junior executive secretary, Department of Christian Social Relations, Episcopal Diocese of Chicago.

I took part in civil rights demonstrations in Montgomery and Selma, Ala., from March 16 through March 22. They helped arouse the conscience of the Nation and taught adolescence and young and old adults to participate creatively in the democratic way of life. I drove a supply truck through the first night of the march, and was present at the first encampment. The marchers slept in separate tents, one for males and one for females, and I walked through the tents to see how the people were settling down. I wish to state that I personally saw no signs of sexual orgy as has been alleged by critics of the march. I believe there was far less sexual misconduct among these young people than I would have expected to find in any group of young people gathered for any purpose. I will be in Washington April 27 through May 4. Will be free on some occasions to testify. Call me at (202) 966–3502.

To: The Reverend Canon Kenneth Sharp, Washington, D.C. (Apr. 26, 1965). The Right Reverend William F. Creighton, Washington, D.C.

From: The Reverend Earl Neil, rector of Christ Episcopal Church, Chicago, Ill.

As a participant in the march in Montgomery I can say unequivocally that I neither witnessed nor had reported to me any incidence of immoral behavior on the part of those participating in the march and in the attendant demonstration. I was in Selma, Ala., for 2½ weeks from March 9 to 26. During that time I witnessed nothing that would give rise to any charges about sex orgies that were taking place. The people who witnessed for justice and an end to racial segregation and discrimination in Selma and Montgomery did credit not only to themselves but also the organization and areas of the country they represented. It can be said with all honesty that the behavior of the civil rights demonstrators was the gain of Selma and of Montgomery, but our Nation gained ultimately.

To: The Reverend Canon Kenneth Sharp, Washington, D.C. (Apr. 26, 1965). The Right Reverend William F. Creighton, Washington, D.C.

From: The Reverend Warner C. Whittle, rector of Episcopal Church of the Redeemer, Chicago, Ill.

I was in Montgomery, Ala., at SNCC headquarters March 16–18. I found no signs whatever of sexual immorality. The charges are ridiculous.

STATEMENT ON SELMA-MONTGOMERY MARCH OF MARCH 21–26 BY SISTERS OF CHARITY, B.V.M., APRIL 26, 1965

To Whom It May Concern:

I was present in Selma, Ala., when the march to Montgomery began March 21, 1965. I marched the first 8 miles in the company of Msgr. Victor G. Moser, Father Rene Guesnier, O.S.B., of Kansas City, representing the Council on Religion and Race. In our line of march were priests and sisters from Detroit, Mich. During periods for rest and food along the highway, I mixed freely with the other marchers, Negro and white. I talked with them and found all I met to be wholesome refined people. When I arrived at the campsite Sunday evening, I was asked to join a group of Catholic lay people and priests from San Francisco in order to be a companion for Sister Patrice, I.H.M., from San Mateo, Calif., who had been chosen as one of the 300 persons to make the entire march. Sister and I ate at the camp, mixed freely with the Negro boys and girls who were helping at the camp, talked with college students and other religious people. We remained in the women's tent until quite late when a group returning to Selma drove us to the Good Samaritan Hospital for the night. Precautions had been taken at the campsite to avoid any kind of unwholesome conduct. While National Guardsmen surrounded the camp as security against segregationists, several ministers and priests served as security guards at the camp all during the night. The marchers were weary, but at all times showed constant concern for each other's comfort. Monday morning Sister Patrice, I.H.M., and I joined the marchers as we left the camp. Shortly after we reached the place on Highway 80 where it narrowed. At this point the group was cut to 300 persons, as the permit allowed only that number. Great care had been taken to select these marchers who were to form the group to be regarded as full marchers. Of the 300 all were Negro Alabamians who had taken part in demonstrations previously, except 22 outsiders, who had been carefully selected and screened for their character and purpose. Of this group the majority were clergymen or religious women. During the next 2 days I marched, ate, and rested with these 300 people. I talked with many of the Negro people, young and old, and made many friends. I also became well acquainted with the other outsiders and found them not only wholesome and well-mannered but I would say the most truly Christian and religious of any people I have ever known. The conversations we had, the songs we sang were religious as well as inspiring. Many of us took part in religious services each day and quotations from the Scripture for the day were heard frequently. Never during these days or any other time did I see any immoral conduct or hear anything suggestive of such on the part of those who were taking part in the march or identified with groups who sponsored the march.

SISTER MARY LEOLINE, B.V.M.,
Sister of Charity, B.V.M.
MOTHERHOUSE, DUBUQUE, IOWA.

STATEMENT ON SELMA-MONTGOMERY MARCH OF MARCH 21–26, BY FATHER DOM T. ORSINI, PITTSBURGH, PA., APRIL 25, 1965

To Whom It May Concern:

I, the undersigned, was present and actively participated in the civil rights march from Selma to Montgomery, Ala. I arrived the 19th of March in Selma and departed Alabama on the 26th day of March, after marching into Montgomery.

During that time I spent all of the time prior to the march at the area encompassed by the Browns Chapel A.M.E. Church. Each day, prior to the 21st, the day the march began, I arrived early into the area and spent the entire day and late into the night mulling around, talking, learning, observing, and being of general help.

During the time of the actual march I walked or rode the entire distance. I walked until the 300 who were to cross the narrow stretch of Highway No. 80 were selected. At that time I tended latrine trucks servicing the marchers. I was present in camp each night until about 9 p.m. and returned each morning to join the marchers. I was present in the capacity of marshal on the road and in the city of St. Judes. I came to meet many people and among them many clergy. We were aware of the stories concerning sexual immorality being circulated and we made it a point to check with those who spent the evening at the campsites concerning the truth of the rumors. Never did I hear of any misconduct at the campsites when I was not present. Never did I personally witness any moral misconduct (sexually) during my presence. Never did I as much see any activity that might lead to this activity excepting among those who I knew to be married (holding hands etc.).

Never have I been more proud of our young people and those older. I remarked on numerous occasions, as did others that when people have something worthwhile to struggle for, all other areas of existence become secondary. Great amounts of energy were expended by all to insure the success of the march and little, if any, energy was left to be squandered.

Nonetheless, it would be ridiculous to insist that never were any improper relations ever carried out. A gathering of any groups of people from civil rights to conventions to prayer meetings to legislative sessions—humanity will tend to assert itself in many improper ways, the least of which sex and other offenses may be numbered. Who can say with accuracy that nothing sexually improper did not occur and does not occur even at the most august of human gatherings. But to point to human weakness and sin and take it out of isolation as regards to the total of a person's life, is to be simple and less than bright. Who among us can stand a thorough investigation? To use human weakness in the field of sex as a weapon to cloud the greater issues is to stoop to levels of deceit and "smoke screening" which point to the deceitful and most serious sinful aspects of man—even worse than sexual immorality. When Christ forgave the woman taken in adultry he did not approve her actions, but he saw the real problems of her life and moved to heal. He condemned the righteous nearby, who were willing to stone her because they had no understanding, desired no understanding, seeking only to rise above the misery of others by stepping upon and condemning others.

If we are to search out the immoral acts of individuals and use these as levers to malign their greater goals and commitments then we must go all the way. We must start with the GI who certainly fought magnificently and victoriously for our cause during our ways, yet in many individual areas left much to be desired morally (sexually and otherwise). We must search out the individuals in our corporations, unions, in our legislative assemblies, in our churches, schools, and what fraternal groups have you and condemn that which they wish to achieve because of individual or group weakness, depravity, immorality in moments of weakness.

God help each of us. Our natures encompass both the "natures of angels and devils." By the grace of God the good which we seek to achieve is blessed and the evil which we commit by the way is "covered over" and forgiven by a God who knows the type of clay used in our makeup. I would say one final thing not in justification of any sexual immorality (if it did occur) but in an explanation of human nature wherever it gathers: "Let he who is without guilt cast the first stone."

Father DOM T. ORSINI,
Rector, St. Luke's Episcopal Church, Pittsburgh, Pa.

STATEMENT RELATING TO SELMA-MONTGOMERY MARCH, MARCH 21–25, BY NORMAN TRUESDELL

In a speech before the House of Representatives on March 30, 1965, Mr. DICKINSON, of Alabama, stated that, "The Reverend Truesdell left the Alabama freedom march in disgust with the immoral conduct of the marchers."

This is a total misrepresentation on the part of Mr. DICKINSON and seems typical of his entire speech.

I saw no immorality, nor any evidence of immorality during my participation in the freedom marches in Selma and Montgomery.

I left Alabama to return to my studies at Wartburg Theological Seminary.

My heart was truly heavy when I heard Mr. DICKINSON'S unfounded mudthrowing about the so-called immorality on the freedom marches. Alabama needs a statesman to lead in the fight for human rights, not a politician who deliberately seeks to subvert the purpose of a march dedicated to the fundamental right of political freedom for all mankind.

NORMAN TRUESDELL,
Student, Wartburg Theological Seminary, Dubuque, Iowa.

STATEMENTS RELATING TO SELMA-MONTGOMERY MARCH 21–25 BY MSGR. VICTOR G. MOSER

I have gone to the expense and trouble to come to Washington in regard to the march on Montgomery because I believe the accusations made concerning the conduct of the participants of the march are so erroneous that I feel that someone who was actually there must speak up and bring out the real truth. Upon first hearing and reading of the supposed immoral conduct of the marchers I felt the accusations were so preposterous that no sensible right-minded person would put any stock in them whatsoever and that therefore the best thing would be to ignore the whole thing. But as things seem to be developing the diatribe continues and more people are beginning to wonder if there is really not some truth to it.

So I am compelled to speak out and to preserve the true image of the march which was one of a serious, dedicated, even religious commitment to a project which would really bring out the serious injustice being perpetrated upon a persecuted and disadvantaged people—the Negroes—especially the Negroes in the South.

I was in the Selma-Montgomery area during the entire march. I marched 3 of the 5 days (all that I was permitted to because of the limitation on the number of marchers permitted on the narrow 2-lane pavement). I was in the tents. I was in the Negro area of Selma Brown Chapel and First Baptist Church where Negroes, SCLC and SNCC people, clergy and dedicated individuals lived and mingled. The whole atmosphere was one of dedicated cooperation to a common cause. It was a Christian atmosphere. The songs were of deeply religious and moral nature. There was much deprivation of the ordinary creature comforts we Americans are so used to; i.e., people did sleep in the church pews and on mats on the floor at various times simply because there was nowhere else to go

and because the church people were good enough to open their facilities to us.

Food was scarce and of a plain although wholesome and nutritious nature; i.e., peanut butter sandwiches, oranges, cookies, milk, etc.

We suffered from cold and heat, from bright sunshine and heavy rain; from extreme fatigue, sore feet, etc. This is surely not the setting for sex orgies and loose living. If anyone were looking for that sort of thing I am sure he could have found it somewhere else under much more pleasant circumstances.

It was a pilgrimage of dedicated people with a common cause—the cause of justice. It was a group of different races, colors, religions, ages. There were old and young, rich and poor, black and white from all portions of the country—yet we were all one in Christ the great Peacemaker. It was the greatest thing I ever experienced.

Msgr. VICTOR G. MOSER,
Chairman, Council on Religion and Race, Catholic Interracial Council, Kansas City, Mo.

Mr. RESNICK. Mr. Speaker, I ask unanimous consent at this time for permission to revise and extend my remarks and to include other statements and telegrams by leading clergymen from all over the country.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

To: Rev. Canon Kenneth Sharp, Washington, D.C. (Apr. 26, 1965).
From: Rev. Oliver B. Carver, Jr., assistant to the rector, St. Alban's Episcopal Church, Los Angeles, Calif.

During Selma to Montgomery march, I served as part of night security force and at each night's campsite, on guard and patrol, from 6 p.m. to 8 a.m. no incidents of fornication or drinking were observed. Such reports are undoubtedly malicious fabrications of sick mentalities and dirty minds, designed to discredit a moment of true greatness in the history of this Nation. As you are on the Washington scene, I urge you to take vigorous steps to challenge the false assertions of the Representative from Alabama. They will not stand the light of impartial inquiry as they were surely conceived in the darkness of evil intent and shadowy commitment to truth. Their falseness must be exposed. Faithfully yours.

To: Rev. Canon Kenneth Sharp, Washington, D.C. (Apr. 26, 1965).
From: Rev. Goldthwaite Sherrill, 3 High Street, Ipswich, Mass.

I arrived in Selma on Friday, March 19, spending 2 nights there. I then participated in the entire march from Selma to Montgomery returning to Selma the night of Thursday, March 25. I left Selma for Birmingham for the night of March 26, returning to Massachusetts the evening of March 27.

At no time did I see or hear of any such circular as described in the remarks of Mr. DICKINSON, of Alabama, in the CONGRESSIONAL RECORD of March 30, I saw no such behavior as was described in his later remarks. At no time was I called upon to condone or approve of such behavior in the event that such might occur.

The only suggestions of such behavior came from comments of some white citizens who lined the route of the march in both Selma and Montgomery. The remarks of these citizens were extremely vulgar and unworthy of any community in the Nation under any circumstances.

The statement: "This is a bunch of godless riffraff out for kicks and self-gratification that have left every campsite between Selma and Montgomery littered with whisky bottles, beer cans, and used contraceptives" is absolutely false and without any foundation in fact whatsoever. I would hope that Mr. DICKINSON would apologize for having been ill informed and will have his remarks retracted.

To: Bishop John Wesley Lord, Washington, D.C. (Apr. 27, 1965).
From: Rabbi Richard Rubenstein, University Chaplain to Jewish Students, University of Pittsburgh.

Representative WILLIAM DICKINSON has incorrectly stated I left Selma-Montgomery march because discussed immoral conduct of marchers. I was never on march. In phone conversation Representative DICKINSON promised correction. To date he has failed to fulfill promise. I was in Montgomery with 130 Pittsburgh college students. Saw absolutely no immoral conduct. Students, behavior beyond reproach.

To: Rev. Canon Kenneth Sharp, Washington, D.C. (Apr. 26, 1965).
From: The Reverend John Morris, executive director of the Episcopal Society for Cultural and Racial Unity.

As one who was in Selma and Montgomery repeatedly, and in touch with hundreds of the Episcopal clergy who went to Alabama, I can state, without reservation, that the moral tone was the highest imaginable throughout. I have asked numerous clergy if they observed any indecent actions among participants and have heard of none. It is a traditional device of the southern racist to attribute immoral or subversive tendencies to all with whom they disagree. If there were any exceptions to the whole high moral tone surrounding the great march, they were so insignificant as to prove the nearly universal rule of discipline and orderliness which prevailed.

The witness of religious leaders of America in Selma will be continued by a representative interfaith team ministry now in preparation. This continued presence will demonstrate that the churchmen who went to Selma served the highest possible traditions of commitment to religious and moral values.

We of the Episcopal Society for Cultural and Racial Unity have made a substantial commitment to Selma and we intend to press forward with everything at our disposal to help Selma to become a model community in the South.

To: Rev. John A. Cronin, S.S., Washington, D.C.
From: Father Paul J. Mullaney, director, city of St. Jude, Montgomery, Ala.

Marchers settled for final night on property at city of St. Jude. Estimated number who spent the night, 3,000; estimated number who attended entertainment earlier in the evening, 30,000; estimates arrived at by members of the FBI during the night the marchers occupied our property; 5 of our resident priests circulated over the grounds and through the buildings. They saw absolutely nothing to justify the rumors being circulated. Early on the morning of the 19th before the marchers left the property the same five priests checked the grounds and found absolutely nothing. Our reports from the Federal marshals and FBI men told us they saw nothing to justify the accusations being investigated in the House today. Priests names are Father Paul J. Mullaney; Pastor Father Timothy Deasy; Thomas Leonard Edward; and Rodney Thomas Kennedy.

To: Rev. Cronin, NCWC, Washington, D.C. (Apr. 27, 1965).
From: Ernest T. Serino, Boston, Mass.

As a priest who participated in Selma demonstration, I vehemently protest accusation of immorality. Experience was entirely exalting spiritually and morally. No evidence anywhere of alleged "orgies." The young people were conspicuously on their dignity. Discipline exercised and prevailed at all times.

To: Rev. John Cronin, Social Action Department, NCWC, Washington, D.C. (Apr. 27, 1965).
From: William Jennings, St. Louis, Mo.

I was with the St. Louis group that went to Selma. I saw no evidence of immorality on the part of any of the marchers other than a few white agitators from the State of Alabama.

To: Rev. John Cronin, Social Action Department, NCWC, Washington, D.C. (Apr. 27, 1965).
From: Mrs. John E. Jennings, St. Louis, Mo.

Dear Father Cronin, heard those who participated in Montgomery march are being accused of immoral behavior. I am mother of five; traveled St. Louis to Montgomery with large group, mostly young adults. Saw no such behavior. Accusations ridiculous; however, would like to protest lewd gestures made by Montgomery bystanders.

To: Rev. John Cronin, Social Action Department, NCWC, Washington, D.C. (Apr. 27, 1965).
From: Rev. Dick Cadigan, Emmanuel Episcopal Church, Webster Groves, Mo.

In full support of your intention to protest and refute charges of immorality on Montgomery march.

To: Rev. John Cronin, Social Action Department, NCWC, Washington, D.C. (Apr. 27, 1965).
From: Rev. Leonard Tartaglia and Rev. Robert McGrath, Hartford, Conn.

We were in Selma for 5 days, March 9 to March 14. To the best of our knowledge, the conduct of all participants was above reproach. The spirit of prayer and dedication characterized this day. Any charges to the contrary is a positive indication of bigoted panic.

To: Rev. John Cronin, Washington, D.C.
From: Rev. Frederick Guthrie, Boston, Mass.

Orgy, my foot. We have deeper lessons to march for.

To: Rev. John Cronin, Washington, D.C.
From: Mrs. Robert W. Hallgring, Catholic Interracial Council, Boston

I strongly protest the accusations made by the Alabama State Legislature, which questions the motives and conduct of all who took part in the Selma to Montgomery march. For all with whom I marched I have only words of praise and admiration and sincerely feel they were motivated by the highest moral principles. May these men who have slandered their neighbor one day be able to see the face of Christ in all men.

To: Rev. John Cronin, Washington, D.C.
From: Rev. Robert J. Canny, St. Mary Church, New Britain, Conn.

DEAR FATHER: Despite all reports to contrary I wish to state that after being 5 days in Selma, Ala., I have only the best impressions of the sense of dedication and high moral tone, the beautiful spirit of charity on the part of all the demonstrators, both Negro and white, in their various efforts and demonstrations to obtain equality dignity freedom for all men regardles of race or color.

To: Rev. John Cronin, Washington, D.C.
From: Rev. Howard Park, St. Louis, Mo.

Understand Alabama Congressman will speak in Congress today concerning alleged immorality of Montgomery marchers: I was a member of same march. Was inspired by the idealism and wonderful spirit of Negro

young people I met. To me they constitute one of the greatest hopes for Alabama and the South.

To: Rev. John Cronin, Washington, D.C.
From: Rev. Donald P. Gontor and Rev. Jan F. M. Selby, Worcester, Mass.

Re conduct of clergy in Montgomery to Selma march, we were there. These were great men of God, hypocrits of Alabama Legislature were not in the march. Shame on them and their false accusations.

To: Rev. John Cronin, Washington, D.C. (Apr. 27, 1965).
From: The Rev. Thomas H. Carroll, Ex. Director, Boston Catholic Guild for all the Blind.

Immorality in Alabama? Who can so know? I went there to witness the thoroughly documented gross immorality of white brutality on bloody Sunday. I saw there in a white community an orgy of hate. I heard the obscenities and saw the sexually sadistic looks of the haters. I know of the immorality of murders, murders of Negroes, of a white minister and a white mother. Now I foresee the cowardly immorality of protected libel and the big lie.

By contrast in the Negro community and among the marchers I saw that peace and love which marked God's presence. I saw too in some true Alabamians, for not all are victims of the evil which affects so many.

To: Rev. John Cronin, Washington, D.C. (Apr. 27, 1965).
From: The Rev. Joseph M. Connolly, assistant pastor, St. Gregory Church.

As one who was in Selma from March 8 to 10, I wish to protest the grotesque use to which the floor of Congress is being put by Mr. DICKINSON in his grossly false accusations of the moral conduct of the demonstrators the caliber of people I met while in Selma as well as the testimony of my own eyes convinces me that this Congressman is making up a tale from his own imagination.

To: Rev. John Cronin, Washington, D.C. (Apr. 27, 1965).
From: Robert W. Hallgring, Catholic Interracial Council of Boston.

We are sickened by the efforts of certain unprincipled politicians to slander the Selma marchers, our members, with our protest and our Jewish friends, marched at great personal risk and expense, moved solely by dedication to their religious belief. Only the State of Alabama is disgraced by the scurrilous libel put forth by its legislature.

To: Rev. John Cronin, Washington, D.C. (Apr. 27, 1965).
From: Father John Gray, Shrine of the Little Flower Church.

Father Cronin I was in Selma right after the bridge incident. I wish to protest Mr. DICKINSON'S ridiculous collection of charges. In the 3 days I was in Selma I met people of the highest caliber, and saw only the heroic exercise of the virtue of charity. Please register my complaint with anyone on Capitol Hill with whom you have contact.

To: Father John Cronin, National Catholic Welfare Conference, Washington, D.C. (Apr. 26, 1965).
From: Father Robert G. McDole, Oklahoma City, Okla.

DEAR FATHER CRONIN: The National Catholic Interracial Conference has informed me that Representative DICKINSON is to appear on the House floor tomorrow morning in another attempt to discredit the civil rights movement. As one of the priests present in Selma and Montgomery, I ask you, a brother priest, to defend us in the name of truth and charity. Respectfully yours.

To: Rev. John F. Cronin, NCWC, Washington, D.C. (Apr. 26, 1965).
From: Msgr. John M. Hayes, pastor, St. Carthage Church, Chicago.

I protest scurrilous charges of misconduct against those who went to Selma in march for love of God and their fellow men.

To: Rev. John Cronin, NCWC, Washington, D.C. (Apr. 27, 1965).
From: Rev. Robert Turner, Wellesley, Mass.

Eyewitness to Selma demonstration never before observed such universal self-discipline, dignity, and dedication. Youth never more serious in purpose, never more effective in action.

To: Rev. John Cronin, NCWC, Washington, D.C. (Apr. 27, 1965).
From: Rev. Francis Andreoli, Gloucester, Mass.

Participated as priest in Selma march, noted no sign anywhere of misbehavior, protest accusation.

To: Rev. John Cronin, SS, NCWC, Washington, D.C. (Apr. 26, 1965).
From: Father Eugene J. Boyle, Sister M. Patrice, IHM, San Francisco, Calif.

On behalf of clergy, nuns and laity who went to Selma, strongly protest and declare unfounded Congressman DICKINSON'S charges of immorality regarding people who participated in demonstrations and marches in Selma.

To: Rev. John Cronin, Washington, D.C.
From: John Knoepfle, Maryville College, St. Louis, Mo.

In regard to charges of immorality among demonstrators in Montgomery, Ala., I wish to say that I did not see any action of this nature when I was in Montgomery the weekend before the march. I suspect that those men who are spreading this information are simply making a public exhibition of their own diseased imagination.

To: Rev. John Cronin, Washington, D.C.
From: Matthew Ahmann, Executive Director, National Catholic Conference for Interracial Justice.

The National Catholic Conference for Interracial Justice wants to testify to the dignity with which recent demonstrations in Selma and the march from Selma to Montgomery were conducted as a memorial to martyrs for interracial justice. Our Roman Catholic agency had staff in Selma from Monday March 8 until March 25 working there and in association with the march we have never been so impressed by the kindness and Christian charity of any people as we were by the Negro community in Selma and we have never been so impressed by the moral and religious nature of a witness for justice for all the people of the Lord. We accord no substance to charges against the moral integrity of those who were in Selma or on the march. These charges are clearly an effort to smear the movement for freedom and full citizenship in our country. Those who were with us are prepared to offer their testimony in sworn affidavit.

To: Rev. John Cronin, NECWC, Washington, D.C. (Apr. 1965).
From: Msgr. John J. Ev. Egan, Chicago, Ill.

The charges against the Selma-Montgomery march are preposterous and a disgrace to Congress.

To: Rev. John Cronin, Social Action Department, NCWC, Washington, D.C. (Apr. 26, 1965).
From: Fr. Francis J. McDonnell, pastor, Sacred Heart Parish, West Lynn, Mass.

It has been brought to my attention that on tomorrow, April 27, an attack is to be made publicly in Washington denouncing the morals of the people who marched in Selma. As one of the marchers I bitterly resent this attempt to smear thousands of dedicated people. I witnessed a strong religious fervor and a firm determination among those who marched. It was not an emotional demonstration, it was one concerned with securing justice. If there was any emotion evident, it was one of fear that the bloody Sunday of March 7 might be repeated. The moral climate was such that any thought of the alleged immoralities was the farthest thing from the minds and hearts of a people who have suffered great indignities through long and cruel years and at least were fighting with heart and soul to become free and recognized citizens in a country which up to now has denied them.

To: Rev. John Cronin, NCWC, Washington, D.C. (Apr. 27, 1965).
From: Rev. Godfrey Diekmann, TOASA, Collegeville, Minn.

Deeply shocked at this palpably untrue red-herring effort to discredit the Selma march. The strongest impression I received during the march was that of high idealism combined with the disciplined strength of orderly behavior. The vast majority of these people had come at great personal sacrifice to be witness to the principles of basic decency and justice. In human conduct such people would be the last to countenance disgraceful behavior that would cast discredit on their high purpose.

Mr. BURTON of California. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I yield to the gentleman.

Mr. BURTON of California. Mr. Speaker, I would first like to commend and associate myself with the remarks of the gentleman from New York [Mr. RYAN] and our distinguished colleague, the gentleman from New York [Mr. RESNICK].

It is always difficult to decide when one is troubled and outraged by statements and assertions that one believes to be completely without foundation and to be unwarranted. It is always difficult to make the decision whether one should respond in kind—whether one should dignify these remarks by going down a vague far-reaching bill of particulars or whether one should merely affirm and restate his positive views of a situation.

I have decided to follow this latter course.

All of the participants in the Selma march are to be commended for their courage and dedication to the cause of human dignity. I believe this demonstration by the members of the clergy of all faiths and religions was in the finest tradition, the finest ideals of those who serve God and their fellow man.

I am troubled by what I discern to be a possible preoccupation of Representative DICKINSON with the religious faith of some of those participating in the march. I believe the record reflects that persons of all faiths and the clergy of all faiths participated in this march and their conduct was conduct with which all Americans can be proud. None of us on this floor need apologize for their conduct or explain it away.

With reference to my dear friends—Reverends Shuttlesworth and Abernathy, Dr. King, Bayard Rustin, A. Philip Randolph, and the many other fine people whose conscience prompted them to join in this march—I submit that their long,

courageous, and meaningful contribution to the improvement of our democratic way of life speaks for itself. No one on this floor is going to be able to diminish to any extent the magnificent role these men and women have played in making the promise of this great country of ours more meaningful. No mere words can erase the quality of their acts to secure the full blessings of liberty for all of our citizens.

The men and women who journeyed to Alabama did so because they realized that the denial of the full rights of citizenship to any group in any area is a matter of national concern.

They saw injustice and responded to it.

No attack upon them, here or outside these Chambers, will alter the high ideals which motivated them or lessen the reaction of our national conscience which was quickened by their courageous demonstration.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I yield to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, I listened to the remarks of the gentleman from Alabama. I believe that every Member of this House should have a right to speak his mind.

I had intended to remain silent, but, Mr. Speaker, I could not remain silent. Some of the finest people of my district went down to Alabama. Emily Taft Douglas, herself a former distinguished Member of the House, and the wife of the senior Senator from Illinois, went down, and I do not want anybody to throw rocks at PAUL DOUGLAS' fine and noble wife.

Walter Johnson and 100 of the leading historians of this country went down to Alabama, and I do not want anybody throwing rocks at them.

I was glad to put in the CONGRESSIONAL RECORD a list of the men and women of the Second Congressional District of Illinois who went down to Alabama; and that, in my district, was regarded a roll of honor.

So, Mr. Speaker, I could not remain silent. I am not questioning the right of my colleague from Alabama to speak his mind. He has that right. But he cannot speak his mind and throw rocks at the good people, the good men and women, of the Second Congressional District of Illinois, the priests and rabbis and men and women of God's service, without having rocks thrown back at him from the Second Congressional District of Illinois.

Mr. Speaker, I have said my piece.

Mr. ROYBAL. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Speaker, I too, thought to remain silent, but I cannot possibly remain silent after having heard the words of this man who, without having any substantiation, came before this House and made certain allegations.

For him even to imply a Catholic nun was involved in the acts he has described is, to say the least, sacrilegious. I do not believe there is a single individual in the United States who believes any of the allegations this gentleman has made. I also do not believe there is anyone in the Nation that will actually feel it is a matter of fact, as he has stated, that members of the press went to Selma and that they were all hushed up by some invisible force. This is an indictment, Mr. Speaker, of the people in the clergy, an indictment of the American press. I feel I can no longer remain in this room with this individual this afternoon. I feel that I must walk out, and that is what I am going to do. However, before I do that I also want to make it clear that I respect his right to bring anything before this House, even though it may be the filth of the day. He still has the right to do so. I have the right, of course, to disagree and to disassociate myself with any remarks of this kind that may be made on the floor of this House.

Mr. KREBS. Mr. Speaker, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman.

Mr. KREBS. Mr. Speaker, I, too, want to say I am proud and happy for the opportunity of associating myself with the remarks of my colleague from New York [Mr. RYAN] my colleague the gentleman from New York [Mr. RESNICK], and my colleagues the gentlemen from California [Mr. BURTON and Mr. ROYBAL].

I also want to say that this presentation here this afternoon I find most shocking. It seems a far cry between standing on the floor of this House behind congressional immunity and making statements like this about highly respectable people such as a rabbi from my town of Livingston, N.J., named Rivkin, several Protestant ministers, and a couple of Catholic priests who went to Selma, Ala., to show their feelings toward the privations being suffered by so many citizens of this country. It seems to me, too, that the gentleman from Alabama ought to be willing to go before the American public and make these statements off the floor of the House of Representatives where he is deprived of his congressional immunity. I hope he will do that, because I believe now that he has made this speech this afternoon he owes that to the American people. I would also like to ask him if he knows the percentage of Negro citizens of the State of Alabama who are unregistered. I would like to ask him if he would not join in with the good people of this country who are trying to guarantee and to achieve for those deprived of their rights as American citizens the right to vote. I say if the gentleman from Alabama will assist in getting Negroes in his State of Alabama registered, then there will be no future need for demonstrations such as have been characterized so falsely and wrongly by the gentleman. I am sure the falsity of these charges will be more fully exposed at the press conference to be held tomorrow, Wednesday, April 28, at 10 a.m. in the Methodist Building, by clergy who participated in the march.

I want to say again we are dealing with important fundamental rights and we are dealing with very important reputations of people who in my judgment have been besmirched and smeared here completely unduly this afternoon.

Mr. RYAN. Mr. Speaker, I want to thank my colleagues for their splendid comments in response to the outrageous speech delivered earlier this afternoon. We cannot remain silent although the world knows the facts and the motives prompting that spurious speech.

I should like to comment upon one of the fallacious theories of that speech, the idea advanced by the gentleman from Alabama that somehow the civil rights movement is part of some kind of a Communist conspiracy. Let me quote for the RECORD, because I think it is important, a statement on this subject made by the Attorney General of the United States who certainly is in a position to know the facts to a far greater degree than the gentleman from Alabama.

Commenting upon this kind of charge which has now been advanced by the gentleman from Alabama, the Attorney General, Nicholas Katzenbach, said:

> I don't think it's true at all in terms of any of the organized civil rights groups or their leaders. I think they (Communists) have been remarkably unsuccessful in influencing any decisions and certainly have not captured any of the leadership.

That should set at rest once and for all this spurious issue which has been raised as a means of covering up the real issue, the real facts and the real concern of the conscience of America.

I was interested in looking at the speech which the gentleman from Alabama made in the House on March 30. I would like to quote a statement he made then which I find rather incredible. He said:

> There are many instances where the Alabama Negro has had rights withdrawn from him illegally, especially historically. This is not universally so in Alabama, however—only in isolated areas and none of these areas recently.

"And none of these areas recently." Mr. Speaker, we only have to look at the events of the past few years: the burning of the Freedom Riders' bus in 1961 at Anniston; the Birmingham church bombing and the resulting deaths; the situation in Selma and the murders of Rev. James Reeb and Viola Liuzzo; All the acts of terror and violence, all of the acts which deny the rights of human beings, were ignored by the gentleman from Alabama.

So his speech is really a subterfuge, an effort to camouflage and to cover up the situation with which we must deal by creating a climate of hysteria. The thesis that Negro citizens are not denied their rights in Alabama is patently and demonstrably false.

Let me quote from the President of the United States when he addressed Congress on March 15 in the aftermath of the atrocities in Selma and the use of mounted posses and billy clubs to suppress those exercising their constitutional rights. President Johnson said in his message:

> The denial of these rights and the frustration of efforts to obtain meaningful relief from such denial without undue delay is contributing to the creation of conditions

which are both inimical to our domestic order and tranquillity and incompatible with the standards of equal justice and individual dignity on which our society stands.

The President clearly understood that there would be those who, like the speaker this afternoon, would in the President's words, "appeal to you to hold onto the past." These people, the President said, "do so at the cost of denying the future."

The Civil Rights Commission reported the denial of voting rights in Alabama. The gentleman from New Jersey [Mr. KREBS], mentioned the low state of Negro registration in that State. Only 23 percent of the Negroes in Alabama are registered to vote, and in many counties the Negro registration is zero or practically zero.

The chronicle of violence is well known to all of us; and look at the terrible toll in lives. In the past 2 years 11 persons have been murdered for participating in civil rights activities in Alabama. This is how the expression of legitimate grievances is suppressed. The simple, clear fact is that in Alabama as in Mississippi and other areas, Negroes do not receive simple justice. It is not necessary to recite the grim statistics which moved the President and stirred the conscience of this Nation. The civil rights movement has struck a responsive cord in all Americans who believe in freedom and justice. It has stirred the conscience of America, and it was the conscience of America which poured out and marched from Selma to Montgomery—men and women, old and young, black and white, of all faiths and religions.

In the march were religious leaders, rabbis, priests, ministers, nuns, those who have devoted their lives to serving God and humanity. They marched because they understood that humanity was at stake in Selma, Ala., and they will march again, for no amount of character assassination, no attacks even from the floor of the House of Representatives are going to hold back the onward march of history nor quiet the aroused conscience of America.

Mr. Speaker, as we move forward, as we seek to fulfill the meaning of liberty and justice, there will be attacks; there will be efforts to derail the onward march of history; there will be smears and innuendoes; but in the long range of history it will be recorded that one of the finest hours was the hour when citizens from all over the United States answered the call of Rev. Martin Luther King and marched with him those many miles, day and night, from Selma to the capitol at Montgomery.

Mr. Speaker, let us put aside the petty attacks and the snide smears and the innuendoes. Let us realize that the question of equality and justice is at stake as never before in America, and that we as Members of Congress have an obligation under our oath to fulfill. Let us fulfill it by passing an effective voting rights bill, a bill which will make it unnecessary for us to come back to this floor again as we have since 1957, in 1960, and again in 1964 to assure this basic right to all Americans.

Mr. Speaker, it is crystal clear that the irrelevancies and the efforts to besmirch the Selma-to-Montgomery march are only being used to divert attention from the injustices to fellow Americans. The relevant question is: Are the demands of the Negro citizens of Alabama just and legitimate? Let us not be misled by those whose purpose is the perpetuation of the injustices we all know violate the Constitution and our cherished concept of freedom.

Mr. DANIELS. Mr. Speaker, I rise today to add my voice to those who have already protested against the outrageous speech delivered on the floor of this House last week by a Member from the State of Alabama [Mr. DICKINSON].

I think, Mr. Speaker, that my experience as a judge in one of America's large cities has made me fairly shockproof. I assure you that rarely do I hear or read anything that moved me to such great disgust as the speech given after the conclusion of the day's business on Tuesday last.

A generation ago, long before I was a Member of Congress of the United States, one of the most vicious anti-Catholics ever elected to public office used the high office of U.S. Senator from Alabama to deliver tirades against the church of which I am a member.

Conditions have improved in the United States and I am sure that most Members of Congress only dimly remember that jewel of the Ku Klux Klan, J. Thomas Heflin. Since his time, Catholic baiting has been confined to fringe-type hate groups. All of us get occasional letters from such sick individuals, but the most casual glance at such messages indicates the authors are people who are capable of harming no one but themselves.

But, Mr. Speaker, when attacks are made in the Congress on members of the clergy, then I am worried.

I am proud of the fact that many religious leaders from my own State of New Jersey were among those who marched on Montgomery. A partial list of names of New Jersey clergymen who took part in the march from Selma to Montgomery is indicative of the high caliber represented and is clear proof that the allegations of the Member from Alabama are without foundation.

The list follows:

Rev. Donald C. Crispin, Newark.
Rev. Harold Story, Newark.
Rev. Richard Given, Livingston.
Rev. John Wilcox, Caldwell.
Rev. Charles Peat, Roseland.
Rev. Gerald Mills, West Caldwell.
Rev. Robert Jacoby, Bloomfield.
Rev. George Booker, Bloomfield.
Rev. Russell Looker, Bloomfield.
Rev. Henry Strock, Millburn.
Rev. John W. Thomson, Millburn.
Rev. James Cortelyou, Newark.
Rev. Paul Robinson, Newark.
Rev. Brian Hislop, West Orange.
Rev. Horace Hunt, Jersey City.
Rev. J. R. Randall, Newark.
Rev. Joseph Sherer, West Orange.
Rev. Horace Sharper, Newark.
Rev. Jay H. Gordon, Newark.
Rev. John W. Collier, Jr., Newark.
Rev. Ken Jefferson, Newark.
Rev. Robert E. Johnson, Newark.

I am alarmed that the Member from Alabama would submit without any real scrutiny these alleged and entirely unsubstantiated allegations of misconduct by religious leaders. The good name of this House and of the Congress of the United States has been hurt by this low-level attack.

Mr. Speaker, I am not surprised that a Member from the State of Alabama should attack those whose only crime was attempting to extend democracy to the State of Alabama, a State where every effort possible has been made to subject the Negro minority to an inferior status. While we may hope that the Member from Alabama is the last such orator, he certainly is not the first.

What does surprise me is that the Member from Alabama should choose to allow attacks upon nuns to foul the pages of the CONGRESSIONAL RECORD. While there is much in the southern tradition which needs changing, we in the North have always admired the tradition of chivalry which is a part of the so-called southern way of life. Thus, this attack upon these holy women is surely a new low. If his remarks are typical of the new South, then I am afraid for the future of the State of Alabama.

Mr. MINISH. Mr. Speaker, I wish to join in vigorously protesting the calumnious attack against participants in the Selma march by the Member from the State of Alabama [Mr. DICKINSON] on the House floor.

The clergymen of all faiths, the nuns, and the other victims of this character assassination actually need no defense. The character of their lives and works is eloquent refutation of the charges leveled at them—charges leveled in the sanctity of the House of Representatives, immune from legal action. The vulgar diatribe of the Member from Alabama demeans only himself and those for whom he speaks.

Lurid stories cannot divert attention from the evils that caused the long and arduous march and that must not be allowed to continue. The dedicated citizens, religious and lay, who journeyed to Alabama at personal inconvenience and expense and endured hardship and hostility there will continue to practice the virtue of charity toward their detractors. They will continue to work wholeheartedly toward the goal of equal rights and equal treatment for all members of a democratic society.

It is saddening—and also frightening—to witness the extremes of which men are capable when they are consumed with racial and religious prejudice and hatred. This spirit of unreasoning hate and violence has found release in the bombings and murders of helpless people and scurrilous attacks upon citizens whose only crime is their commitment to the Judeo-Christian ethic and the democratic principles upon which our Nation was founded.

The vast majority of Americans join with the Selma marchers in rejecting the evil of hatred that poisons the wells of

our democratic institutions. They will not be swayed from the great task of fulfilling the promise of America, of enabling all our people to enjoy the dignity, equality, and justice due them as children of God and citizens of the United States.

The SPEAKER. The time of the gentleman from New York has expired.

GENERAL LEAVE TO EXTEND

Mr. RYAN. Mr. Speaker, I ask unanimous consent that the special order which I have obtained this afternoon follow the special order and comments of the gentleman from Alabama [Mr. DICKINSON], and that all Members have 5 legislative days in which to extend their remarks on this subject.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PRESIDENT JOHNSON'S APPROACH TO VIETNAM

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN], is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, on April 13, 1965, one of Texas' most influential newspapers, the Paris News, published by Walter Bassano, at Paris, Tex., made this objective and, I think, particularly wise editorial observation regarding President Johnson's handling of the Vietnam issue. It is well worth our attention. The editorial follows:

[From the Paris (Tex.) News, Apr. 13, 1965]

PRESIDENT'S APPROACH TO VIETNAM PROBLEMS OFFERS REASONABLE RECOURSE

President Johnson's recent policy speech on Vietnam might be interpreted as an extension of the carrot and stick philosophy. The proposals have certain pitfalls such as the onus of a peace bribe or an attempt to buy peace; they also have certain advantages such as repudiating U.S. power or territorial designs and confronting the Communists with the necessity of talking or shouldering the blame for continued warfare.

The President's offer of a billion dollars of economic development assistance regardless of whether there is peace is something easier held out than delivered. Congress will want to look closely at whatever aid is extended to obtain some faint assurances that the investments will not be in vain or an intermediate venture on the way to the hands of the enemy.

However, there is this much to say for the President's suggestions—they represent an attempt to break out of the same old formula which often carry the seeds of their own destruction because of inflexibility or lack of imagination.

Negotiating from strength does not necessarily mean whip 'em and dictate the terms. It does mean strength of purpose as well as of armed might to the degree that we will not be harassed into compromising a principle—the principle that the Vietnamese are entitled to work out their destiny in freedom from the insidious pressures and infiltrations of international communism.

Until there is disposition to do something about outside masterminding of the Vietcong, then the suppliers of the Vietcong need to continue to feel the sting of air attacks. Attrition works two ways.

STATUTES, REGULATIONS, POLICIES, AND PRACTICES OF SELECTED FOREIGN COUNTRIES PROVIDING FOR PREFERENCES FOR DOMESTIC MATERIALS AND FIRMS IN THE AWARDING OF PUBLIC SUPPLY AND PUBLIC WORKS CONTRACTS

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 60 minutes.

Mr. SAYLOR. Mr. Speaker, I am concerned, as are all Americans, with our Government's monetary and economic policies. Today, the two most persistent economic problems facing the United States are our unfavorable balance of payments and unemployment.

While our present unemployment level is acute, should there be a downturn in the economy, this situation would become critical. Pennsylvania had 233,000 persons unemployed during March. The Nation as a whole had 3,740,000 persons out of work during the same period. We are faced with an inescapable and unavoidable responsibility to provide employment for these unfortunate fellow citizens. The Appalachian program, the Manpower Training and Development Act, the antipoverty programs and other proposals are splendid ideas and promise dividends in higher employment, but we must be relentless in our fight to create more work for our labor forces. The President's economic report for 1965 calls unemployment "the greatest test now confronting our general economic and manpower policies." I submit that Congress should continue to support measures which provide that moneys expended by this administration will be used for the benefit of the people of this country.

The balance-of-payment deficit and the outflow of gold poses far more complex problems in that internal actions alone cannot eliminate this deficit but could reduce it substantially. In the main our trade and tariff policies have been formulated to coincide with our foreign policy requirements rather than considered in conjunction with our current unemployment problems.

This country is committed to efforts to end our balance-of-payments deficit, and I would remind my colleagues that this administration pledged itself to eliminate this deficit. Congress has been asked to enact various measures to strengthen our checks on foreign use of U.S. capital markets. The Secretary of the Treasury has been asked to enroll our banking community in a major effort to limit lending abroad. American industry has been requested to limit direct investments in foreign countries. The Department of Defense and the Agency for International Development have been directed to cut oversea spending to the bone. Finally, our citizens have been encouraged to "see America first."

Whether these various measures will be adequate is not yet determined, but it is clear to me that we should carefully analyze our trade policies and the policies of other nations in their entirety if we are to rectify these pressing problems. It is the nontariff barriers imposed by other nations that have in great measure contributed to our present balance-of-payments deficit.

Let me make my position clear. I am not blind to the need for dealings with the other trading nations of the world, but I ask that we keep in mind the fact that we are beset with acute problems that are directly related to our foreign spending policies.

If we are to maintain our economic and military commitments to other nations with the attendant gold outflow, we should at the minimum be afforded reciprocity by foreign governments in the field of public procurement policies.

Mr. Chairman, am I to understand that our Nation is to be committed to correcting our international balance of payments on the one hand while, on the other, we are to permit Federal contracts to be awarded to foreign concerns? This possibility especially concerns me when I consider that the major trading countries of the world discriminate against foreign industry in favor of their domestic concerns.

I submit that the individual taxpayer has a right to ask that his Government buy domestic products because that taxpayer has contributed his money toward procurement of those services and supplies. Purchases from domestic concerns are sound and logical from an economic viewpoint if all factors are considered.

For example, a Government agency recently procured some supplies from a foreign supplier at a cost of $500,000 and contended that it had saved the Government approximately $100,000. A careful analysis of this procurement would have disclosed that such a savings was not, in fact, achieved by our Government. If the procurement had been made from a domestic concern, a considerable percentage of the money involved would have been used to pay local, State, and Federal taxes. Additional tax revenue would have been achieved from the necessary procurement of raw materials necessary to produce the manufactured products desired by the agency. Further, the workers necessarily employed to produce the raw materials and the manufactured items would have received several hundreds of thousands of dollars in wages, part of which would have been applied to their social security funds, pensions, payroll taxes, along with a corresponding decrease in unemployment compensation that many otherwise received.

One major domestic industry has recently estimated that at least 30 percent of every dollar collected from the sale of the product involved eventually goes—through corporate, personal, property, and sales taxes—to Federal, State, and local taxing bodies.

Mr. Chairman, advocates of free trade may label my case for domestic preference of public supply and public works contracts as an attempt to return to the days of isolationism and protectionism. Domestic preference is neither isolationism nor protectionism. As a matter of fact, it is the accepted way of transacting

public business in almost every major trading country in the world. For example, in a recent staff study made by the U.S. Bureau of the Budget, the following statement concerning foreign procurement policies of the members of the Organization for Economic Cooperation and Development—OECD—is made:

The State Department has obtained reports from U.S. embassies on the foreign procurement policies of all OECD countries which indicate that * * * various practices hamper or restrict the opportunities of foreign firms to compete for Government contracts.

The study further states:

Practices which limit the opportunity to compete for Government contracts include such things as * * * exclusive preference to domestic firms; regulations which preclude foreign bidding on Government contracts.

In summary, few other countries have defined their "buy national" policies as publicly as the United States, but widespread administrative discretion generally permits them to show preference for domestic firms.

Mr. Chairman, at the time the Bureau of the Budget staff study was made, a complete compilation of domestic preference laws and regulations of the major world trading companies was not available. However, such a compilation is now available. I shall introduce beginning today for inclusion into the CONGRESSIONAL RECORD a two-volume report, prepared by Joseph W. Marlow, associated with Cravath, Swaine & Moore of New York City, which report substantiates the fact that the major world trading countries, such as Japan, France, Italy, Canada, the United Kingdom, and some 27 others do, in fact, favor their domestic concerns to the almost complete exclusion of U.S. products.

The report that I shall institute cites chapter, page, and verse from the laws and regulations of these major trading countries, proving that a domestic preference program exists in each one of these countries.

I submit that the policy of domestic preference pursued by these major trading countries is a sound and logical policy. The United States must be as wise as these countries have been and recognize that domestic preference is good for the country and its citizens.

Japan, for example, has recently recognized that domestic preference does, in fact, benefit the nation. On September 20, 1963, the Japanese Cabinet issued a "Buy Japan" decision, justified in part as follows:

In order for the Japanese economy to attain growth at the rate expected by the Government, the Government should take the lead in carrying out such measures as are within its jurisdiction to take, while keeping the international payments in balance, and at the same time voluntary cooperation should be expected from the industrial and financial circles.

It is therefore decided that correct evaluation for domestic products * * * be established and that effort be made to encourage the use of domestic products by the Government and Government agencies, in order to prevent the outflow of foreign exchange through unnecessary imports and to promote the domestic industries.

Our Nation, with its similar problems, must be equally as wise and recognize that domestic preference is in the Nation's best interests.

In summary, Mr. Chairman, I submit that public procurement of foreign supplies and services should be held to an absolute minimum. My daily remarks will prove that such action would be in step with the practices and policies of the major world trading countries. Such action would also be compatible with our national interests regarding balance of payments, gold reserves, employment, and real net cost.

I produce this material not to castigate or condemn our foreign friends, but only to demonstrate that it is unorthodox as well as idiotic for our own Government to spend public funds for materials that, if supplied by domestic producers, would provide employment for Americans, bring taxes into all levels of government, and improve our balance-of-payments position. In the midst of our current make-work programs, how can we justify buying materials from alien sources to the exclusion of U.S. industry and labor?

The one justifiable alternative to the policies and practices of foreign governments described in the following study is for our own Government to buy from producers and suppliers in the United States—not as a retaliatory move but only as the reasonable answer to America's unemployment and balance-of-payments problems.

INTRODUCTION

In a staff study on the "Foreign Procurement of the United States Government" made in 1963 (and released in April 1964),[1] the United States Bureau of the Budget made the following statement (at page 24) concerning the foreign procurement policies of other members of the Organization for Economic Cooperation and Development (OECD):

"G. Foreign Procurement Policies of other OECD Governments.

"The State Department has obtained reports from United States embassies on the foreign procurement policies of all OECD countries which indicate that a majority of them do not have legislation covering foreign procurement by government agencies and that in practice procuring agencies have broad administrative discretion in all phases of procurement. Also, procurement decisions are not infrequently handled on the basis of unpublished internal administrative orders. In general, it appears that various practices hamper or restrict the opportunities of foreign firms to compete for government contracts.

"Practices which limit the opportunity to compete for government contracts include such things as little or no advance publicity regarding planned government procurement; exclusive preference to domestic firms; regulations which preclude foreign bidding on government contracts; cumbersome administrative or excessive bonding requirements. In some cases bids are open to foreign firms only when domestic sources are unable to meet specifications or supply desired products; in others, bulk supply agreements between government agencies and domestic suppliers provide for selective tender from closed lists of suppliers and confidential negotiations.

"In summary, few other countries have defined their 'buy national' policies as publicly as the United States, but widespread administrative discretion generally permits them to show preference for domestic firms. National procurement policies are currently under examination in the OECD."

The results which are reported in the attached volumes of an investigation of the statutes, regulations, policies, and practices of selected foreign countries providing for preferences for domestic materials and firms in the awarding of public supply and public works contracts amply support the conclusions of the Bureau of the Budget, not only as to members of OECD, but also as to almost all other countries covered by the investigation. Quite obviously, every nation "favors its own."

The investigation was made by Joseph W. Marlow, associated with Messrs. Cravath, Swaine & Moore, of New York, with the assistance of their European office in Paris and Messrs. Wilmer, Cutler & Pickering, their correspondents in Washington, D.C.

A variety of methods was employed in making the investigation. For a few countries (Belgium, Italy, France and Japan), attorneys practicing in those countries were retained to make an initial investigation and report, for all countries, desk officers in the Bureau of International Commerce of the United States Department of Commerce in Washington, D.C., were interviewed and copies of unclassified foreign service dispatches and airgrams to the Department of State from various embassies of the United States in foreign countries were obtained, where pertinent and available. In some cases the embassies were contacted directly. To the extent available in the United States, an independent review was made of statutes, regulations, etc., in the original languages and translations were prepared of the more important ones which were not originally issued in English. Pertinent published secondary material was also located and reviewed, including treatises, law review articles, and the like. In cases of ambiguity, cross-checks were made of several sources of information.

Caveat: Cravath, Swaine & Moore have emphasized that statements concerning foreign law must not be regarded as expressions of opinion, except where a specific reference is made that attributes such statements to counsel authorized to practice in the particular country. Moreover, although every effort has been made to render an accurate report, the very nature of the subject matter leaves open the possibility of omissions and erroneous interpretations as well as of developments subsequent to the time when the investigation was made which could entirely change the legal position in a particular country.

NOTE CONCERNING INTERNATIONAL ORGANIZATIONS

The major regional economic organizations are the subject of separate articles in the attached volumes. They are the European Economic Community, the Benelux Economic Union, the European Free Trade Association, the Latin American Free Trade Association and the Central American Common Market.

Two others—the General Agreement on Tariffs and Trade (GATT) and the Organization for Economic Cooperation and Development (OECD)—will be described briefly. Most of the countries which are dealt with in the attached volumes are members of both GATT and OECD.

THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT)

In March 1965 GATT had 66 "Contracting Parties", of which 26 of the most important ones are dealt with in the attached volumes.

GATT is an international (multilateral) trade agreement—encompassing a code of rules for fair trading in international com-

[1] Printed in Appendix 3 to the Transcript of Hearings Before the Subcommittee on Defense Procurement of the Joint Economic Committee of Congress, Apr. 16 and 21, 1964.

merce. While it has no irrevocable enforcement power other than what can be accomplished by moral suasion, it has nevertheless helped to reduce obstacles to trade, particularly in the tariff area, and to foster expansion of world trade. GATT is "the only (existing) international instrument which lays down the rules for trade on a worldwide basis."

Meetings of GATT countries provide a forum for discussion of participants' trade problems and for submission of complaints arising from alleged breaching of GATT rules.

GATT resulted from the determination of the Allies in World War II to remove or at least to reduce the depression-born hindrances to world trade—high tariff protection, quotas, exchange controls, etc.—and to seek to establish a world trading system based on nondiscrimination, with the goal of achieving fair, full, and free exchange of goods, and, as a result thereof, it was hoped, higher standard of living for all. In October 1947, 23 of the nations which were meeting to negotiate the initial draft for the charter of the International Trade Organization (ITO), planned as one of the United Nations specialized agencies, conducted tariff negotiations among themselves and formulated GATT. GATT was intended to be a stopgap measure, effective only until the ITO charter was ratified. But the refusal of Congress to permit the United States to join ITO resulted in its demise so that GATT remained as the only continuing instrument for international trade negotiations and cooperation.

As formulated in 1947, GATT's objectives are to help raise standards of living; to ensure full employment; to develop full use of the world's resources; to expand production and exchange of goods; and to promote economic development.

More recently, the emphasis has been on the expansion of trade, the resolving of the trade problems of the lesser developed countries, the removal of barriers to trade, and wider access to world markets.

In pursuit of those broad objectives, GATT is guided by the following principles:

1. Trade should be conducted on the basis of nondiscrimination. All contracting parties are bound by the most-favored-nation clause in the application of import and export duties and charges and in their administration, subject to the right to form free trade areas and customs unions.

2. Any protection afforded to domestic industries should be through customs tariffs only and not by use of commercial restrictions, such as import quotas, licensing requirements, or other controls of a quantitative nature.

3. The concept of consultation should be pursued to provide a forum for discussion of members' trade problems and complaints, aimed at avoiding damage to trading interests of contracting parties.

4. Tariffs and other barriers to trade should be negotiable.

Essentially a trade agreement, GATT provides for none of the trappings of a formal organization. The work of the Contracting Parties, when not in session, is performed by a Council of Representatives (consisting of delegates of countries maintaining permanent GATT missions in Geneva), by groups of experts, and by working parties and committees, with the administrative assistance and collaboration of a small Secretariat. Aside from the regular semiannual meetings, major tariff negotiating conferences are held as and when a majority of the membership deems them desirable. What may well be the most important conference (the so-called "Kennedy Round") began in May 1964.

The agreement embraces a total of 35 articles. The first two deal specifically with tariffs. Article I states the most-favored-nation obligation, i.e., that tariff concessions offered to any one nation, either in or outside of GATT, must be extended to all GATT members. Article II incorporates the concessions (mainly reductions or bindings of import duties) set forth in the schedules annexed to the agreement. The schedules resulting from the original negotiations in 1947 and the subsequent negotiations include an estimated 60,000 items covering more than one-half of the total foreign trade of the world. Article III contains rules relating to the application of internal taxes and regulations which are designed to ensure that imported goods will be treated equally with domestic products. Paragraph 8(a) of Article III contains an exception to the national treatment rules of that article which is of major importance in the field of public procurement. Paragraph 8(a) provides as follows:

"8. (a) The provisions of this article shall not apply to laws, regulations or requirements governing the procurement by governmental agencies of products purchased for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale."

Articles IV to X are the technical articles, providing a set of rules and principles applicable to transit trade, to antidumping (Art. VI), to customs valuation, to customs formalities and to marks of origin. Article XI prohibits quantitative restrictions on imports and exports. Articles XII through XV qualify that rule where necessary to accommodate countries with balance-of-payments problems. Subsequent articles deal with state trading, subsidies, economic development, opportunities for joint discussion and settlement of differences arising out of the application of the agreement.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD)

In March 1965 OECD had 21 members, all of which were located in Europe, except Canada, Japan and the United States. All its members except Iceland and the United States are dealt with in the attached volumes.

OECD is an organization established by a convention ratified by 18 Western European countries, Canada and the United States, which formally took effect on September 30, 1961. (Japan joined in May 1964.) Its purpose is to achieve maximum economic cooperation among its members so as to foster and further their sound economic development, partnered with financial stability, and, thus, to contribute to the economic well-being of nonmembers as well.

Although OECD does not develop or administer trade rules or conduct tariff negotiations, one of its primary purposes is to contribute to the expansion of world trade on a multilateral non-discriminatory basis in accordance with international obligations. It provides a forum for discussion of the activities, objectives and problems of members in the broad economic sphere.

OECD is the successor organization to the Organization for European Economic Cooperation (OEEC), which was created in the early postwar years (1948) to administer the U.S. Government's Marshall plan aid program and to restore economic viability to war-ravaged Europe. Although those tasks were successfully completed by the OEEC, the need for continued international economic cooperation remained. Because of changing economic conditions in the world and the increasing interdependence of the industrialized nations, however, Western leaders deemed it advisable to create a new organization for international cooperation, with greater breadth of interest and membership.

The member countries have agreed to promote the efficient use and development of their economic resources; to encourage research; to promote vocational training; to pursue policies designed to achieve economic growth and internal and external financial stability; to pursue efforts to reduce or abolish obstacles to the exchange of goods and services and current payments; to extend the liberalization of capital movements and to contribute to the economic development of member and non-member countries.

OECD has three broad major assignments—the coordination of the economic policies of its members, the extension of aid to developing countries, and consideration of trade and payments problems. More specialized assignments cover a wide range of economic activity, including agriculture, industry and energy, science, technology and productivity.

The Convention has 21 articles, as well as several special protocols, which generally cover the aims and responsibilities of the members, including the provision of information necessary to the pursuit of OECD tasks, consultation on a continuing basis, the carrying out of studies and the participation in agreed upon projects, close cooperation and, where necessary, coordinated action. Article 5 specifically outlines the powers of the Organization: it may make decisions which, with provided exceptions, shall be binding on members; make recommendations to members and enter into agreements with members, nonmembers, and international organizations. Article 6 requires that all decisions, with a few exceptions, be made by mutual agreement of all members, who have one vote each. The remaining articles are organizational or administrative in purpose.

The Council, composed of representatives of all member states, is the supreme body of OECD, making all general and administrative decisions for the OECD.

The Executive Committee, with 10 members chosen annually by the Council, acts only on authority of the Council. General policy questions on progress of work of OECD are submitted to the Executive Committee before submission to the Council. The Secretariat, which is staffed by international civil servants headed by the Secretary General, exercises all the functions necessary for administration of the Organization assigned to it.

The basic work of OECD is carried on by numerous committees and special committees to which member governments appoint representatives. There are committees working in the areas of Economic Affairs; Development Assistance; Trade, Payments and Related Activities; Agriculture and Fisheries; Scientific Affairs; Industry and Energy; and Manpower and Social Affairs.

In 1963 the Trade Committee, in connection with its investigation of administrative and technical regulations which hamper the expansion of trade, initiated an inquiry on regulations regulating the awarding of public contracts by OECD members.

ABBREVIATIONS

Benelux: Belgium-Netherlands-Luxembourg Economic Union.

CACM: Central American Common Market.

EEC: European Economic Community.

EFTA: European Free Trade Association.

Euratom: European Atomic Energy Community.

GATT: General Agreement on Tariffs and Trade.

LAFTA: Latin American Free Trade Association.

OECD: Organization for Economic Cooperation and Development.

Stat.: United States Statutes at Large.

UNTS: United Nations Treaty Series (published by the United Nations).

UST: United States Treaties and Other International Agreements (published by the United States Department of State).

EUROPEAN ECONOMIC COMMUNITY

The actions which have thus far been taken, and which are proposed to be taken,

to achieve the aims of the European Economic Community (often referred to as the Common Market) offer indisputable evidence of the existence in the Member States of legislative, regulatory and administrative provisions, policies and practices which exclude foreigners from participation in public contracts or discriminate against their participation and the use of foreign products and materials. As those discriminations are progressively eliminated within the Community, United States firms and products will suffer increasing disadvantages vis-a-vis materials and companies of the Member States in competition for public contracts of the Member States.

The Community was established by the Treaty of Rome of March 27, 1957 (298 UNTS 11 (1958)), which took effect on January 1, 1958. The Member States are Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands.

The objectives of the Community are to establish a common market and to bring the economic policies of the Member States progressively into harmony during a transitional period ranging from 12 to 15 years beginning January 1, 1958. The most significant measures designed to achieve those objectives are: (1) the elimination of customs duties and quantitative restrictions; (2) the establishment of a common tariff and a common commercial policy; (3) the establishment of free movement of persons, services and capital; (4) the inauguration of common agricultural and transport policies; (5) the establishment of a system of fair competition; (6) the taking of measures to coordinate economic policy and adjust balance of payments; (7) the creation of a Social Fund and a European Investment Bank; and (8) the association of overseas countries and territories related to certain Member States.

The Community operates through four principal organs. The Council has one representative appointed by each Member State. It coordinates the economic policies of the Member States, formulates general policy for guidance of the Commission and exercises final decisionmaking powers. The Commission has nine members appointed by common agreement of the Member States. Its members are responsible to the Community rather than to their appointing governments. It executes the decisions of the Council, decides technical questions of Treaty application, advises the Council on basic issues and exercises powers conferred on it by the Council. The Court of Justice consists of seven judges appointed by the Member States. It serves as the common court for the Community, the European Coal and Steel Community (ECSC) and the European Atomic Energy Community (Euratom). It concerns itself with the legal problems arising out of the operations of the respective treaties involved. The European Parliament or Assembly consists of 142 representatives who are elected by and from legislatures of the Member States and is also common to the Community and the ECSC and Euratom. Its functions are largely limited to those of review and debate, but it is armed with powers of censure and must be consulted by the Council, before taking an official act, in most cases where there is interference with national legislation. Also of importance is the Economic and Social Committee, composed of 101 private persons representative of all sectors of the economic and social life of the Community. The Council must consult it in cases which entail acts of special economic and social significance, including the taking of action in the field of right of establishment.

The Treaty of Rome is a complex and lengthy document composed of six parts and numerous annexes, conventions, protocols and declarations. The Treaty is silent on the subject of public contracts and public works, except for a reference in article 132 relating to association with overseas countries and territories. Nevertheless, it contains a number of provisions which have been, and will continue to be, applied to eliminate discrimination in that field.

The most important are those contained in chapter 2 of title III (sec. 52–58) relating to the right of establishment and in chapter 3 of that title (sec. 59–66) relating to services. Of lesser importance are the provisions of articles 30–37 relating to the elimination of quantitative restrictions and the general prohibition of discrimination contained in article 7. The provisions of article 100 for the approximation of the legal and administrative provisions of the Member States are not of immediate, but are undoubtedly of great future, importance, particularly in the field of public supply contracts. Also of importance are the provisions of part 4 (arts. 131–136) relating to the association with the Community of the non-European countries and territories which had special relations with Belgium, France, Italy and the Netherlands, as well as those of article 237 relating to membership in the Community by other European countries and article 238 relating to association with the Community of third countries, unions of states or international organizations.

Copies of an unofficial English translation of the foregoing provisions of the Treaty are attached hereto as schedule A.

Under article 52, paragraph 1, sentence 1, restrictions on freedom of establishment are to be gradually abolished during the transitional period. The right to freedom of establishment is defined in the second paragraph of that article to mean the privilege to start and conduct non-wage-earning activities, which include any independent activity aimed at the production of income. In order to exercise the freedom of activity under chapter 2, it is necessary, as a rule, for the particular person to go into the Member State in which the activity is to be conducted and to create his economic center there. A far-reaching exception from this principle, which is of special importance for companies, is provided in the second sentence of article 52, paragraph 1, for the establishment in other Member States of agencies, branch establishments and subsidiary companies.

Pursuant to the provisions of paragraph 1 of article 54, the Council of the Community issued on December 18, 1961, a General Program for the Abolition of Restrictions on the Freedom of Establishment (Journal Officiel of the European Communities, January 15, 1962, p. 36 et seq.). The General Program lays down the order of priority in which discrimination is to be abolished for the various areas of activity. Under title I of the program, its beneficiaries are:

(1) Physical persons, provided they are nationals of the Member States or of the overseas countries and territories; and

(2) Firms or companies established under the laws of the Member States or of the overseas countries and territories whose registered office, central administration, or place of business, is located in the Community or in one of the overseas countries or territories.

Where a company has only its registered office within the Community, it must show that it has an actual and continuous link with the economy of a Member State (or overseas country or territory). Such link may not, however, be conditioned on nationality, that is, no nationality requirement may be imposed on managers, partners or shareholders so as to defeat the application of the test. The present position as to overseas countries and territories is discussed infra in the section on association and additional membership.

The provisions of titles III and IV of the program with regard to public contracts are as follows (unofficial translation from French by Commerce Clearing House, Inc.):

Title III

"Subject to the exceptions or special provisions set forth in the Treaty, and particularly those of:

"Article 55, pertaining to activities relating to the exercise of public authority in a Member State,

"Article 56, pertaining to provisions covering special treatment for foreign nationals and justified by reasons of public order, public security or public health,

the restrictions to be lifted according to the timetable provided for in title IV are as follows:

"A. Any prohibition on or impairment of the non-wage-earning activities of nationals of other Member States, consisting in differential treatment based on nationality as provided under a legislative, regulatory or administrative provision of a Member State or resulting from the application of such a provision or of administrative practices.

"Among such restrictive provisions and practices are particularly those which, with regard to foreigners only:

"* * * * *

"The same applies to provisions and practices which, solely with respect to foreigners, exclude, limit or make subject to certain conditions the ability to exercise the rights normally attached to a non-wage-earning activity and, in particular, the opportunity:

"* * * * *

"(b) To tender bids or to participate as co-contractor or sub-contractor in public contracts or contracts with other public bodies.

* * * * *

to the extent that the professional activities of the party concerned require the exercise of such opportunity.

"Finally, the provisions and practices mentioned also include those which limit or impair the admission of the personnel of the principal establishment, located in one Member State, into the managing or supervisory bodies of the agencies, branches or subsidiaries opened in another Member State.

"B. The conditions to which a legislative, regulatory or administrative provision, or an administrative practice, subjects the access to or exercise of a non-wage-earning activity and which, although applicable regardless of nationality, impair the access to or exercise of such activity by foreigners either exclusively or principally."

Title IV

"For the purpose of the effective elimination of restrictions on the freedom of establishment, the following time-table shall be adopted:

"A. Before the expiration of the second year of the second stage [December 31, 1963] of the transitional period as regards the activities listed in Annex I [which include most manufacturing activities], subject to paragraph B;

"B. By December 31, 1963, as regards the activities mentioned under item 400, 'Construction,' of Annex I, carried out in the form of participation in public works contracts.

"However, with respect to the characteristics and requirements peculiar to this sector, and in order to ensure a gradual and balanced abolition of restrictions, together with the measures desirable for coordinating methods of procedure:

"1. The awarding of public works contracts by a State, its territorial subdivisions such as *Länder*, regions, provinces, departments, communes and other bodies under public law to be determined, to nationals and companies of the other Member States through their agencies or branches established in such State, may be suspended in this State

as of the time when the number of public works contracts awarded in such State to nationals and companies of other Member States exceeds the quota referred to in title V, paragraph C(e), 1(a) of the general program relating to services.

"2. As regards the awarding of public works contracts to these agencies and branches by bodies under public law which, on December 31, 1963, shall not have been included among those mentioned in the first paragraph, the elimination of restrictions shall take place before the expiration of the transitional period."

In March 1964 the Commission submitted to the Council a proposal for modification in several respects, particularly as to effective dates, of the General Program on Establishment as well as the General Program on Services referred to infra (hereinafter sometimes referred to as the general programs modification proposal). The text of the proposal was published in the January 29, 1965, issue of the Journal Officiel of the European Communities. The Proposal was submitted by the Council to the European Parliament and to the Economic and Social Committee as well as to the Member States for advice and approval. In February 1965 it still had not taken effect.

The General Programs Modification Proposal would change the date in the third line of subparagraph 2 of paragraph B of title IV from December 31, 1963, to January 1, 1965, and would add the following new subparagraphs 3 and 4 following subparagraph 2:

"3. The liberalization by steps provided for works contracts applies to the works contracts of establishments which, regardless of their legal nature, operate the national railways in the six Member States.

"4. The regulations concerning the awarding of public works contracts are also applicable to the allocation of works concessions."

Under the provisions of chapter 2 and the above-quoted provisions of the General Program on Establishment, to the extent that a national of a Member State has established himself in another Member State or has established an agency, branch establishment or subsidiary company in such State, his right to receive the same treatment as a national of that State includes the right to make applications for contracts to all authorities and public corporate bodies just like a national of that State and to be awarded such contracts on the same conditions as such a national. In that regard, it makes no difference whether the contracts pertain to goods or services. There are, however, special provisions for the building and construction industry which are discussed below.

Chapter 3 of the Treaty relating to services is of importance, and then only of limited importance, if there is no "establishment" by a national of one Member State in another Member State. Under article 59, "services" within the meaning of the Treaty are involved if a person residing in one Member State furnishes services of any of the types specified in article 60 to a recipient of such services who lives in another Member State. Borderline problems vis-a-vis chapter 2 arise only if the person rendering the services goes temporarily into the country of the recipient in order to furnish those services, as article 60, paragraph 3, expressly contemplates. To the extent that an overlapping with chapter 2 results, the latter takes precedence under article 60, paragraph 1.

On December 18, 1961, the Council of the Community, pursuant to article 63, paragraph 1, also issued a General Program for the Abolition of Restrictions on the Free Provision of Services (Journal Officiel of the European Communities, January 15, 1962, p. 32 *et seq.*). Title I thereof provides for the same application as the General Program on Establishment (except for the overseas countries and territories). Title III of the Program on Services provides as follows with regard to public contracts (unofficial translation from French by Commerce Clearing House, Inc.):

"Subject to the exceptions or special provisions of the Treaty and specifically to:

"Article 55, dealing with activities in a Member State relating to the exercise of public authority;

"Article 56, dealing with the provisions for special treatment for foreign nationals, justified by reasons of public order, public security and public health;

"Article 61, dealing with the free movement of services, in matters of transport, which is governed by the provisions of the title relating to transport;

the provisions relating to the free movement of goods, capital and persons as well as those relating to systems of taxation;

those restrictions to be lifted according to the schedule provided in Title V, whether they affect the offerer, either directly or indirectly through the recipient or through the service, are as follows:

"A. Any prohibition on or any impairment of the non-wage-earning activities of the offeror, consisting in a treatment differentiating on a basis of nationality as provided by a legislative, regulatory or administrative provision of a Member State or resulting from the application of such a provision or of administrative practices.

"Among such restrictive provisions and practices are particularly those which, with regard to foreigners only:

"* * * * *

"The same applies to provisions and practices which, solely with respect to foreigners, exclude, limit or make subject to conditions the ability to exercise the rights normally attached to the provision of services and, in particular, the opportunity:

"* * * * *

"(b) To tender bids or to participate as a co-contractor or sub-contractor on public contracts or contracts with other bodies under public law,

"* * * * *

to the extent that the professional activities of the party concerned require the exercise of such opportunity.

"Furthermore, the conditions to which a legislative, regulatory or administrative provision or an administrative practice subjects the provision of services and which, although applicable regardless of nationality, impair the provision of these services by foreigners either exclusively or principally, also constitute restrictions."

Title V of the General Program on Services, which contains the timetable for the abolition of restrictions, contains the following special provision with regard to public works contracts (unofficial translation from French):

"For purposes of the effective elimination of restrictions on the free provision of services, the following time-table shall be adopted:

"* * * * *

"C. Other restrictions: The other restrictions on the free provision of services, defined in title III [which include those defined in paragraph A of title III] shall be eliminated at the latest at the time of the carrying out of the time-table provided for establishment. However, the elimination of restrictions shall take place:

"* * * * *

"(e) As regards public works contracts:

"1. When the provision of services is carried out with the participation of nationals and companies of the other Member States in the public works contracts of a State, or its territorial subdivisions such as Lander, regions, provinces, departments, communes and other public bodies to be determined, by December 31, 1963, under the following conditions, in order to take into account the characteristics and requirements peculiar to this sector and to ensure a gradual and balanced abolition of restrictions, together with the desirable measures for coordinating methods of procedure:

"(a) When the number of public works contracts awarded in one Member State to nationals and companies of the other Member States by such State, its territorial subdivisions or the other public bodies determined as stated above exceeds a certain quota, such State may suspend until the end of the current year the awarding of such contracts to these nationals and companies.

"This quota shall be determined on the basis of a certain percentage, equal in principle for all Member States and increasing every two years, from December 31, 1963, to December 31, 1969, to the average of the amounts of public works contracts awarded during the two preceding years.

"Furthermore, except for justified exceptions, the amount of work contracts which nationals and companies of one State, established in such State, obtain in the other Member States shall be taken into account.

"(b) Public works contracts awarded in one State to nationals and companies of other Member States are understood to mean: contracts awarded directly to these nationals and companies established in the other Member States; and contracts awarded to these nationals and companies through their agencies or branches established in such State.

"Each Member State shall take the necessary steps to determine and publicize periodically the amount of public works contracts awarded to nationals and companies of the other Member States.

"2. When the services are supplied in the form of participation in public works contracts entered into by public bodies which, on December 31, 1963, have not been included among those mentioned in the first subparagraph of paragraph 1, before the expiration of the transitional period."

The above-quoted special provision for a gradual transition was made because some Member States feared that an immediate elimination of discrimination might entail difficulties for their building and construction industries.

The General Programs Modification Proposal referred to supra, page 8, would effect the following changes in the above-quoted provision of title V of the General Program on Services:

(1) The date of December 31, 1963, in paragraph C.(e)1. would be changed to January 1, 1965.

(2) The wording of the second paragraph of clause (a) in (e)1 would be changed to read as follows:

"This quota shall be determined on the basis of a percentage. This percentage must in principle be the same for all Member States. It is fixed for the first time for the year 1965 and increases each two years from January 1, 1966, to December 1, 1969."

(3) The date of December 31, 1963, in paragraph (e)2. would be changed to January 1, 1965, and the following would be added as (e)3 and (e)4:

"3. The liberalization by steps provided for works contracts applies to the works contracts of establishments which, regardless of their legal nature, operate the national railways in the six Member States.

"4. The regulations concerning the awarding of public works contracts are also applicable to the allocation of works concessions."

The general programs do not in themselves have a binding effect for the elimination of restrictions. The elimination must be initiated by directives issued on proposal of the Commission by the Council (after prior consultation with the European Parliament and the Economic and Social Committee). It

was not until March 1964 that the Commission forwarded to the Council a draft of a first directive on tenders for, and execution of, public building work. A copy of an unofficial translation from German of such draft directive is attached hereto as Schedule B. The Press Release (dated March 12, 1964) of the Commission with regard thereto is as follows (CCH Common Market Reporter, par. 9129):

"In pursuance of the General Programs on Freedom of Establishment and Freedom to Supply Services, the Executive Commission of the Common Market has forwarded to the Council the draft of a first directive on tenders for, and execution of, building work for the State, local authorities and public corporations.

"Under this draft directive each Member State will in certain circumstances abolish as of January 1, 1965, restrictions on the undertaking of such work by firms from other Member States.

"Work carried out for railway boards, however constituted, will be considered for this purpose as government work.

"Although there will in future be no discrimination against nationals of other Member States, the awarding of public contracts to such nationals may be suspended when a certain quota has been filled. The first quota will run from January 1, 1965, and the last will expire on December 31, 1969.

"The quota system will apply to public works contracts as a whole and also to two categories: those costing up to $600,000 and those costing more than this sum.

"In each case the Member States will fix the 1965 quota by applying a factor of 15 percent to the average annual value of public works contracts awarded between January 1, 1963, and December 31, 1964. Each State will be able to suspend the award of such contracts when their total amount is in excess of the general quota or when one or the other of the two partial quotas referred to above is attained. However, suspension may be applied only when the amount of the public contracts which nationals and companies of a Member State have obtained since January 1 in other Member States is not more than half the quota fixed for each of the three cases.

"The draft directive contains a further safeguard clause applicable only to contracts above $600,000. Under this clause each Member State may suspend, until the end of the current year at the latest, the award of public works contracts in excess of $600,000 to nationals and companies of other Member States when the amount of such contracts awarded to these nationals and companies reaches twice the quota fixed annually in relation to the contracts above $600,000.

"The draft directive also provides that the Member States shall send to the Commission certain information, within specified time limits, so that the liberalization of tenders for public works contracts may be put into effect.

"The Commission will be assisted by an advisory committee in dealing with any problems or disputes arising from the application of the measures taken by the Member States."

A second proposed draft directive on public works contracts was announced by the Commission in July 1964. Its object is to coordinate procedures for the awarding of public works contracts in the Member States. A copy of an unofficial translation from German of such draft directive is attached hereto as Schedule C. The "Information Memo" (No. P-48/64 dated July 1964) of the Official Spokesman of the Commission with regard thereto is as follows:

"The Commission has prepared a second proposed directive on public contracts. Its object is to coordinate procedures for the award of public works contracts in the Member States, and it has been drawn up by the Directorate-General for Competition in collaboration with Government experts in pursuance of Article 100 of the treaty. Under this article the Council, acting by means of a unanimous vote on a proposal of the Commission, is to issue directives for the approximation of such legislative and administrative provisions of the Member States as have a direct incidence on the establishment or functioning of the Common Market.

"The draft of the directive was put before the Council on 16 March 1964. The purpose of the new directive, as of the earlier one, is to liberalize public works contracts.

"One class of restrictions at present in force consists of laws, regulations and administrative practices in the Member States which wholly or partly exclude persons in other Member States from tendering for or executing such contracts. The first directive proposed by the Commission is aimed at abolishing these provisions and practices.

"The second type of restriction results from the differences between the procedures for the award of public works contracts in the various Member States. Hence, in accordance with the General Programmes for the removal of restrictions on freedom of establishment and freedom to supply services, the second proposed directive lays down coordination measures intended to ensure that calls for tenders in this field are given publicity in all Community countries, that there shall be no discrimination in technical specifications, and that objective criteria shall be applied in judging the capacities of the persons tendering and the suitability of their tenders.

"The two directives are closely connected. 'Public works contracts' therefore has the same meaning in both. But they differ in so far as public works contracts awarded by railways do not come within the scope of the second directive. In some member countries the railways are operated by private enterprise, in others by the State, and coordination of the provisions for award of contracts by railways is therefore to be the subject of a separate directive.

"The present directive provides for the abolition of all discrimination in technical specifications. Such discrimination covers any technical requirement that has the effect of penalizing or excluding enterprises in other Member States that wish to compete for contracts. Further discriminatory measures include specifications indicating particular patents, types, categories, models or processes when such indication is not justified by the nature of the project concerned. The directive does not, however, cover discriminatory specifications for building materials in the general annexes to the contract. Prohibition of such specifications will be provided for in another directive, based on article 33(7) of the Treaty.

"The directive lays down that a notice of public works contracts must be published in the official gazette of the European Communities. The notice must give all essential data. This will ensure that participants know in advance the exact grounds on which their tender may be accepted or rejected. The proposed rules for publication will at first apply to contracts worth more than 1,000,000 units of account. With effect from 1 January 1966 they will apply to contracts for more than 600,000 u.a., and from 1 January 1968 to contracts for more than 300,000 u.a.

"All other provisions, in particular those introducing objective criteria for judging the capacities of the individuals tendering and the suitability of their tenders, apply to contracts with a value of more than 60,000 u.a. The draft includes a list of possible exceptions in which contracts may be awarded without compliance with the terms of the directive.

"Finally, arrangements are made for setting up an expert committee of officials from the Member States to advise the Commission on questions which arise as the directive is implemented."

The participation in public supply contracts of another Member State by nationals residing in a Member State and not "established" in the other State is outside the scope of the chapters of the rights of establishment and services. Possibly, discriminations in that area could be deemed to be measures having the same effect as quantitative restrictions within the meaning of articles 30–37 of the Treaty and eliminated under the provisions of paragraph 7 of article 33. The general prohibition of discrimination contained in article 7 could also be applied. In order to eliminate discriminations entirely, however, it will probably be necessary to approximate the legal and administrative provisions of the Member States under article 100 of the Treaty, since articles 7, 52–58 and 59–66 authorize only the prohibition of differential treatment according to nationality. The same problems and possible solutions are applicable to provisions that give controlling effect to the origin of goods by requiring, for example, that goods furnished pursuant to public contracts must have been manufactured in the country of the public agency which awarded the contract.

Any effective action in this field is, it would appear, several years away, although recent annual reports of the Commission indicate that some exploratory work is in progress.

ASSOCIATION AND ADDITIONAL MEMBERSHIP

Under the provisions of the Treaty of Rome the Community may conclude a membership agreement with any European State (art. 237) or an agreement of association with a third country (art. 238) or with an overseas country or territory having special relations with a Member State (art. 131).

The Community has concluded Agreements of Association with Greece (effective November 1, 1962) and Turkey (effective December 1, 1964). The provisions of those Agreements relating to establishment and services, discrimination on the basis of nationality and related provisions are discussed in the respective sections on those two countries.

The Community also signed (on July 20, 1963) an Agreement of Association under Article 238 with the 18 African and Malagasy States (the Kingdom of Burundi, the Federal Republic of Cameroon, the Central African Republic, the Republic of Chad, the Republic of Congo (Brazzaville), the Republic of the Congo (Leopoldville), the Republic of Dahomey, the Republic of Gabon, the Republic of Ivory Coast, the Malagasy Republic (Madagascar), the Republic of Mali, the Islamic Republic of Mauretania, the Republic of Niger, the Republic of Rwanda, the Republic of Senegal, the Somali Republic, the Republic of Togo, and the Republic of Upper Volta). The Agreement took effect on June 1, 1964 (Journal Officiel of the European Communities, June 11, 1964, page 1429), and will remain in force until May 31, 1969, but may be extended.

Title III (articles 29–34) contains provisions with regard to establishment and services which amount to what is in effect a negatively worded reciprocity clause. The Associated States assume the obligation of giving nationals of the Member States equal treatment among each other. A Member State can claim rights for its nationals in an Associated State, however, only to the extent that the Member State grants comparable rights to the nationals of the Associated State. Accordingly, the Member States do not assume any obligations under the Agreement and, in particular, no obligation to grant national treatment. As a result, upon the taking effect of the Agreement, the references in Title I of the General Program on Establishment with regard to

overseas countries and territories ceased to have any application to the Associated States. There is no comparable problem in the case of services, since the General Program on Services does not apply to nationals of ove.seas countries and territories.

In the case of the remaining overseas countries with special relations with a Member State, which now consist only of a number of unimportant French territories and the Netherlands and Surinam, which are autonomous parts of the Kingdom of the Netherlands Antilles, the Council of the Communities rendered a decision on February 25, 1964, under the provisions of Article 136 of the Treaty of Rome, the provisions of which conform largely to those of the Agreement of Association with the African and Malagasy States. The decision took effect simultaneously with the Association Agreement (Journal Officiel of the European Communities, June 11, 1964, page 1472) as to all such territories except the Netherlands Antilles for which the effective date is October 1, 1964 (Journal Officiel, October 1, 1964, page 2413). The provisions made in the decision on the right of establishment and the right of services conform to those of the Association Agreement with the African and Malagasy States and, accordingly, the consequences are the same.

In the case of the remaining French overseas departments (French Guiana, Guadelupe, Martinique, and Reunion) the Council of the Community rendered a second decision on February 25, 1964, which also took effect on June 1, 1964 (Journal Officiel, June 11, 1964, page 1484), and which provides that articles 52–58 of the Treaty of Rome shall continue to apply to such departments. In exceptional cases the Council, in issuing directives under articles 54, is authorized to make special provisions for such departments. In addition, the decision provides for accelerated elimination of discriminatory distinctions between nationals of the Member States. By reason of the provision of article 227, paragraph 2, of the Treaty of Rome, the provisions of the Treaty with regard to services continued to apply to such departments.

EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM)

Article 97 of the Treaty establishing the European Atomic Energy Community of March 25, 1957 (298 UNTS 167 (1958)), permits nationals of member states (who are the same as the Member States of the European Economic Community to participate in the construction of commercial and research reactors on a nondiscriminatory basis.

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SCHEDULE A. TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY AND CONNECTED DOCUMENTS

(English translation issued in 1961 by the Publishing Services of the European Communities)

(NOTE.—In response to the numerous requests which have been received the Publishing Services of the European Communities have undertaken to reprint the English translation of the Treaty of Rome, made in 1958 and in circulation since then.

(It should be emphasized that this translation has no legal authority whatsoever, and that only those versions of the Treaty are valid which were drawn up, signed and ratified in the four languages of the European Economic Community: Dutch, French, German and Italian.

(Reference should therefore be made to those versions in case of disagreement or uncertainty arising from the English translation.

(According to information received to date by the Publishing Services this applies in particular to the following articles of the treaty: Article 32; articles 85, 1 and 92, 1; article 86; article 112, 1; articles 165, paragraph 4, and 166, paragraph 3; articles 169 and 170; article 173; article 179; article 184; article 237, paragraph 2.)

PART 1. PRINCIPLES

* * * * *

Article 7

Within the field of application of this Treaty and without prejudice to the special provisions mentioned therein, any discrimination on the grounds of nationality shall hereby be prohibited.

The Council may, acting by means of a qualified majority vote on a proposal of the Commission and after the Assembly has been consulted, lay down rules in regard to the prohibition of any such discrimination.

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PART 2. BASES OF THE COMMUNITY

Title I. Free movement of goods

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Chapter 2. The Elimination of Quantitative Restrictions as Between Member States

Article 30

Quantitative restrictions on importation and all measures with equivalent effect shall, without prejudice to the following provisions, hereby be prohibited between Member States.

Article 31

Member States shall refrain from introducing as between themselves any new quantitative restrictions or measures with equivalent effect.

This obligation shall, however, only apply to the level of liberalisation attained in application of the decisions of the Council of the Organisation for European Economic Cooperation of 14 January 1955. Member States shall communicate to the Commission, not later than six months after the date of the entry into force of this treaty, the lists of the products liberalised by them in application of these decisions. The lists thus communicated shall be consolidated between Member States.

Article 32

Member States shall, in their mutual trade, refrain from making more restrictive the quotas or measures with equivalent effect in existence at the date of the entry into force of this treaty.

Such quotas shall be abolished not later than at the date of the expiry of the transitional period. In the course of this period, they shall be progressively abolished under the conditions specified below.

Article 33

1. Each of the Member States shall, at the end of one year after the entry into force of this Treaty, convert any bilateral quotas granted to other Member States into global quotas open, without discrimination, to all other Member States.

On the same date, Member States shall enlarge the whole of the global quotas so established in such a way as to attain an increase of not less than 20 per cent in their total value as compared with the preceding year. Each global quota for each product shall, however, be increased by not less than 10 per cent.

The quotas shall be increased annually in accordance with the same rules and in the same proportions in relation to the preceding year.

The fourth increase shall take place at the end of the fourth year after the date of the entry into force of this treaty, the fifth increase shall take place at the end of a period of one year after the beginning of the second stage.

2. Where, in the case of a product which has not been liberalised, the global quota does not amount to 3 per cent of the national output of the State concerned, a quota equal to not less than 3 per cent of such output shall be established not later than one year after the date of the entry into force of this Treaty. At the end of the second year, this quota shall be raised to 4 per cent and at the end of the third year to 5 per cent. Thereafter, the Member State concerned shall increase the quota by not less than 15 per cent annually

In the case where there is no such national output, the Commission shall fix an appropriate quota by means of a decision.

3. At the end of the tenth year, each quota shall be equal to not less than 20 per cent of the national output.

4. Where the Commission, acting by means of a decision, finds that in the course of two successive years the imports of any product have been below the level of the quota granted, this global quota may not be taken into consideration for the purpose of calculating the total value of the global quotas. In such case, the Member State shall abolish the quota for the product concerned.

5. In the case of quotas representing more than 20 per cent of the national output of the product concerned, the Council, acting by means of a qualified majority vote on a proposal of the Commission, may reduce the minimum percentage of 10 per cent laid down in paragraph 1. This modification shall not, however, affect the obligation annually to increase the total value of global quotas by 20 per cent.

6. Member States which have gone beyond their obligations concerning the level of liberalisation attained in implementation of the decisions of the Council of the Organisation for European Economic Co-operation of 14 January 1955 shall, when calculating the annual total increase of 20 per cent provided for in paragraph 1, be entitled to take into account the amount of imports liberalised by autonomous measures. Such calculation shall be submitted to the Commission for its prior approval.

7. Directives issued by the Commission shall lay down the procedure and the timing according to which Member States shall abolish as between themselves any measures

which exist at the date of the entry into force of this treaty and which have an effect equivalent to quotas.

8. If the Commission finds that the application of the provisions of this Article and, in particular, of the provisions concerning percentages does not make it possible to ensure the progressive nature of the abolition of quotas provided for in Article 32, second paragraph, the Council, acting during the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote on a proposal of the Commission, may amend the procedure referred to in this article and may, in particular, raise the percentages fixed.

Article 34

1. Quantitative restrictions on exportation and any measures with equivalent effect shall hereby be prohibited as between Member States.

2. Member States shall abolish, not later than at the end of the first stage, all quantitative restrictions on exportation and any measures with equivalent effect in existence at the date of the entry into force of this Treaty.

Article 35

Member States hereby declare their willingness to abolish, in relation to other Member States, their quantitative restrictions on importation and exportation more rapidly than is provided for in the preceding Articles, if their general economic situation and the situation of the sector concerned so permit.

The Commission shall make recommendations for this purpose to the States concerned.

Article 36

The provisions of Articles 30 to 34 inclusive shall not be an obstacle to prohibitions or restrictions in respect of importation, exportation or transit which are justified on grounds of public morality, public order, public safety, the protection of human or animal life or health, the preservation of plant life, the protection of national treasures of artistic, historical or archeological value or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute either a means of arbitrary discrimination or a disguised restriction on trade between Member States.

Article 37

1. Member States shall progressively adjust any State monopolies of a commercial character in such a manner as will ensure the exclusion, at the date of the expiry of the transitional period, of all discrimination between the nationals of Member States in regard to conditions of supply or marketing of goods.

The provisions of this Article shall apply to any body by means of which a Member State shall de jure or de facto either directly or indirectly control direct or appreciably influence importation or exportation between Member States. These provisions shall apply also to monopolies assigned by the State.

2. Member States shall abstain from any new measure which is contrary to the principles laid down in paragraph 1 or which may limit the scope of the articles relating to the abolition, as between Member States, of customs duties and quantitative restrictions.

3. The timing of the measures referred to in paragraph 1 shall be adapted to the abolition, as provided for in Articles 30 to 34 inclusive, of the quantitative restrictions on the same products.

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Title III. The free movement of persons, services and capital

Chapter 2. The Right of Establishment

Article 52

Within the framework of the provisions set out below, restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be progressively abolished in the course of the transitional period. Such progressive abolition shall also extend to restrictions on the setting up of agencies, branches or subsidiaries by nationals of any Member State established in the territory of any Member State.

Freedom of establishment shall include the right to engage in and carry on non-wage-earning activities, and also to set up and manage enterprises and, in particular, companies within the meaning of Article 58, second paragraph, under the conditions laid down by the law of the country of establishment for its own nationals, subject to the provisions of the Chapter relating to capital.

Article 53

Member States shall not, subject to the provisions of this Treaty, introduce any new restrictions on the establishment in their territories of nationals of other Member States.

Article 54

1. Before the expiry of the first stage, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted shall lay down a general programme for the abolition of restrictions existing within the Community on freedom of establishment. The Commission shall submit such proposal to the Council in the course of the first two years of the first stage.

The programme shall, in respect of each category of activities, fix the general conditions for achieving freedom of establishment and, in particular, the stages by which it shall be attained.

2. In order to implement the general programme or, if no such programme exists, to complete one stage towards the achievement of freedom of establishment for a specific activity, the Council, on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall, until the end of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives.

3. The Council and the Commission shall exercise the functions entrusted to them by the above provisions, in particular:

(a) by according, as a general rule, priority treatment to activities in regard to which freedom of establishment constitutes a specially valuable contribution to the development of production and trade;

(b) by ensuring close collaboration between the competent national authorities with a view to ascertaining the special situation within the Community of the various activities concerned;

(c) by abolishing any such administrative procedures and practice whether resulting from municipal law or from agreements previously concluded between Member States as would, if maintained, be an obstacle to freedom of establishment;

(d) by ensuring that wage-earning workers of one Member State employed in the territory of another Member State may remain in that territory for the purpose of undertaking a non-wage-earning activity there, provided that they satisfy the conditions which they would be required to satisfy if they came to that State at the time when they wished to engage in such activity;

(e) by enabling a national of one Member State to acquire and exploit real property situated in the territory of another Member State, to the extent that no infringement of the principles laid down in Article 39, paragraph 2 is thereby caused;

(f) by applying the progressive abolition of restrictions on freedom of establishment, in each branch of activity under consideration, both in respect of the conditions for setting up agencies, branches or subsidiaries in the territory of a Member State and in respect of the conditions governing the entry of personnel of the main establishment into the managerial or supervisory organs of such agencies, branches and subsidiaries;

(g) by co-ordinating, to the extent that is necessary and with a view to making them equivalent, the guarantees demanded in Member States from companies within the meaning of Article 58, second paragraph, for the purpose of protecting the interests both of the members of such companies and of third parties; and

(h) by satisfying themselves that conditions of establishment shall not be impaired by any aids granted by Member States.

Article 55

Activities which in any State include, even incidentally, the exercise of public authority shall, in so far as that State is concerned, be excluded from the application of the provisions of this Chapter.

The Council, acting by means of a qualified majority vote on a proposal of the Commission, may exclude certain activities from the application of the provisions of this Chapter.

Article 56

1. The provisions of this Chapter and the measures taken in pursuance thereof shall not prejudice the applicability of legislative and administrative provisions which lay down special treatment for foreign nationals and which are justified by reasons of public order, public safety and public health.

2. Before the expiry of the transitional period, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted, shall issue directives for the co-ordination of the above-mentioned legislative and administrative provisions. After the end of the second stage, however, the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall issue directives for co-ordinating such provisions as, in each Member State, fall within the administrative field.

Article 57

1. In order to facilitate the engagement in and exercise of non-wage-earning activities, the Council, on a proposal of the Commission and after the Assembly has been consulted, shall, in the course of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives regarding mutual recognition of diplomas, certificates and other qualifications.

2. For the same purpose, the Council, acting on a proposal of the Commission and after the Assembly has been consulted, shall, before the expiry of the transitional period, issue directives regarding the co-ordination of legislative and administrative provisions of Member States concerning the engagement in and exercise of non-wage-earning activities. A unanimous vote shall be required on matters which, in at least one Member State, are subject to legislative provisions, and on measures concerning the protection of savings, in particular the allotment of credit and the banking profession, and concerning the conditions governing the exercise in the various Member States of the medical, para-medical and pharmaceutical professions. In all other cases, the Council shall act in the course of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote.

3. In the case of the medical, para-medical and pharmaceutical professions, the progressive removal of restrictions shall be subject to the co-ordination of conditions for their exercise in the various Member States.

Article 58

Companies constituted in accordance with the law of a Member State and having their registered office, central management or main establishment within the Community

shall, for the purpose of applying the provisions of this Chapter, be assimilated to natural persons being nationals of Member States.

The term "companies" shall mean companies under civil or commercial law including co-operative companies and other legal persons under public or private law, with the exception of non-profit-making companies.

Chapter 3. Services

Article 59

Within the framework of the provisions set out below, restrictions on the free supply of services within the Community shall be progressively abolished in the course of the transitional period in respect of nationals of Member States who are established in a State of the Community other than that of the person to whom the services are supplied.

The Council, acting by means of a unanimous vote on a proposal of the Commission, may extend the benefit of the provisions of this Chapter to cover services supplied by nationals of any third country who are established within the Community.

Article 60

Services within the meaning of this Treaty shall be deemed to be services normally supplied for remuneration, to the extent that they are not governed by the provisions relating to the free movement of goods, capital and persons.

Services shall include in particular:

(a) Activities of an industrial character;

(b) Activities of a commercial character;

(c) Partisan activities; and

(d) Activities of the liberal professions.

Without prejudice to the provisions of the Chapter relating to the right of establishment, a person supplying a service may, in order to carry out that service, temporarily exercise his activity in the State where the service is supplied, under the same conditions as are imposed by that State on its own nationals.

Article 61

1. The free movement of services in respect of transport shall be governed by the provisions of the Title relating to transport.

2. The liberalisation of banking and insurance services connected with movements of capital shall be effected in harmony with the progressive liberalisation of the movement of capital.

Article 62

Except where otherwise provided for in this Treaty, Member States shall not introduce any new restrictions on the freedom which has been in fact achieved, in regard to the supply of services, at the date of the entry into force of this Treaty.

Article 63

1. Before the end of the first stage, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall lay down a general programme for the abolition of restrictions existing within the Community on the free supply of services. The Commission shall submit such proposal to the Council in the course of the first two years of the first stage.

The program shall, for each category of services, fix the general conditions and the stages of such liberalization.

2. In order to implement the general program or, if no such program exists, to complete one stage in the liberalization of a specific service, the Council, on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall, before the end of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives.

3. The proposals and decisions referred to in paragraphs 1 and 2 shall, as a general rule, accord priority to services which directly affect production costs or the liberalization of which contributes to facilitating the exchange of goods.

Article 64

Member States hereby declare their willingness to undertake the liberalization of services beyond the extent required by the directives issued in application of Article 63, paragraph 2, if their general economic situation and the situation of the sector concerned so permit.

The Commission shall make recommendations to this effect to the Member States concerned.

Article 65

As long as the abolition of restrictions on the free supply of services has not been effected, each Member State shall apply such restrictions without distinction on grounds of nationality or residence to all persons within the meaning of Article 59, first paragraph, who supply services.

Article 66

The provisions of Articles 55 to 58 inclusive shall apply to the matters governed by this Chapter.

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PART 3. POLICY OF THE COMMUNITY

Title I. Common rules

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Chapter 3. Approximation of Laws

Article 100

The Council, acting by means of a unanimous vote on a proposal of the Commission, shall issue directives for the approximation of such legislative and administrative provisions of the Member States as have a direct incidence on the establishment or functioning of the Common Market.

The Assembly and the Economic and Social Committee shall be consulted concerning any directives whose implementation in one or more of the Member States would involve amendment of legislative provisions.

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PART 4. THE ASSOCIATION OF OVERSEAS COUNTRIES AND TERRITORIES

Article 131

The Member States hereby agree to bring into association with the Community the non-European countries and territories which have special relations with Belgium, France, Italy and the Netherlands. These countries and territories, hereinafter referred to as "the countries and territories", are listed in Annex IV to this Treaty.

The purpose of this association shall be to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole.

In conformity with the principles stated in the Preamble to this Treaty, this association shall in the first place permit the furthering of the interests and prosperity of the inhabitants of these countries and territories in such a manner as to lead them to the economic, social and cultural development which they expect.

Article 132

Such association shall have the following objects:

1. Member States shall, in their commercial exchanges with the countries and territories, apply the same rules which they apply among themselves pursuant to this Treaty.

2. Each country or territory shall apply to its commercial exchanges with Member States and with the other countries and territories the same rules which it applies in respect of the European State with which it has special relations.

3. Member States shall contribute to the investments required by the progressive development of these countries and territories.

4. As regards investments financed by the Community, participation in tenders and supplies shall be open, on equal terms, to all natural and legal persons being nationals of Member States or of the countries and territories.

5. In relations between Member States and the countries and territories, the right of establishment of nationals and companies shall be regulated in accordance with the provisions and by application of the procedures referred to in the Chapter relating to the right of establishment and on a non-discriminatory basis, subject to the special provisions made pursuant to Article 136.

Article 133

1. Imports originating in the countries or territories shall, on their entry into Member States, benefit by the total abolition of customs duties which shall take place progressively between Member States in conformity with the provisions of this Treaty.

2. Customs duties imposed on imports from Member States and from countries and territories shall, on the entry of such imports into any of the other countries or territories, be progressively abolished in conformity with the provisions of Articles 12, 13, 14, 15 and 17.

3. The countries and territories may, however, levy customs duties which correspond to the needs of their development and to the requirements of their industrialisation or which, being of a fiscal nature, have the object of contributing to their budgets.

The duties referred to in the preceding sub-paragraph shall be progressively reduced to the level of those imposed on imports of products coming from the Member State with which each country or territory has special relations. The percentages and the timing of the reductions provided for under this Treaty shall apply to the difference between the duty imposed, on entry into the importing country or territory, on a product coming from the Member State which has special relations with the country or territory concerned and the duty imposed on the same product coming from the Community.

4. Paragraph 2 shall not apply to countries and territories which, by reason of the special international obligations by which they are bound, already apply a non-discriminatory customs tariff at the date of the entry into force of this Treaty.

5. The establishment or amendment of customs duties imposed on goods imported into the countries and territories shall not, either de jure or de facto, give rise to any direct or indirect discrimination between imports coming from the various Member States.

Article 134

If the level of the duties applicable to goods coming from a third country on entry into a country or territory is likely, having regard to the application of the provisions of Article 133, paragraph 1, to cause diversions of commercial traffic to the detriment of any Member State, the latter may request the Commission to propose to the other Member States the measures necessary to remedy the situation.

Article 135

Subject to the provisions relating to public health, public safety and public order, the freedom of movement in Member States of workers from the countries and territories, and in the countries and territories of workers from Member States shall be governed by subsequent conventions which shall require unanimous agreement of Member States.

Article 136

For a first period of five years as from the date of the entry into force of this Treaty, an Implementing Convention annexed to this Treaty shall determine the particulars and procedure concerning the association of the

countries and territories with the Community.

Before expiry of the Convention provided for in the preceding sub-paragraph, the Council, acting by means of a unanimous vote, shall, proceeding from the results achieved and on the basis of the principles set out in this Treaty, determine the provisions to be made for a further period.

PART 6. GENERAL AND FINAL PROVISIONS

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Article 237

Any European State may apply to become a member of the Community. It shall address its application to the Council which, after obtaining the opinion of the Commission, shall act by means of a unanimous vote.

The conditions of admission and the amendments to this Treaty necessitated thereby shall be the subject of an agreement between the Member States and the applicant State. Such agreement shall be submitted to all the contracting States for ratification in accordance with their respective constitutional rules.

Article 238

The Community may conclude with a third country, a union of States or an international organisation agreements creating an association embodying reciprocal rights and obligations, joint actions and special procedures.

Such agreements shall be concluded by the Council acting by means of a unanimous vote and after consulting the Assembly.

Where such agreements involve amendments to this Treaty, such amendments shall be subject to prior adoption in accordance with the procedure laid down in Article 236.

SCHEDULE B. EUROPEAN ECONOMIC COMMUNITY

(First directive of the Council concerning participation of entrepreneurs in the placement and execution of building projects for account of the state, the territorial subdivisions as well as other public law juridical persons submitted by the Commission to the Council)

(Unofficial translation from German)

The Council of the European Economic Community—

In view of the Treaty establishing the European Economic Community, and in particular its Articles 54, Section 2, and 63, Section 2,

In view of the General Program for the Elimination of Restrictions on the Freedom of Establishment, in particular, Chapter IV, Letter B, Item 1,

In view of the General Program for the Elimination of Restrictions on the Free Exchange of Services, in particular, Section V, Letter C(e), Item 1,

In view of the amendments to the General Programs by Council Decision dated ———, upon the proposal of the Commission, after consultation of the European Parliament, after consultation of the Economic and Social Committee, and, in consideration of the following:

The above-mentioned General Programs provide for a first step with simultaneous elimination of the restrictions on the freedom of establishment and the free exchange of services in connection with the placement of public works contracts. These public construction works may, unless executed by the State itself, be placed in the form of a construction contract or a concession. This Directive must, therefore, include the grant of concessions, which represent a large part of those construction works. Otherwise, the import of the Directive would be severely limited.

The elimination of the restrictions must be tied in with a regulation which will make it possible, during the transition period, to temper the effects of an elimination of the restrictions in the individual Member States.

Each Member State must thus have the possibility to exclude temporarily nationals of the other Member States from the placement of public works contracts where contracts already placed with such nationals have reached or exceeded a quota to be established annually and where certain other prerequisites exist.

Recourse to this exclusion measure must, however, be tied to guaranties for the protection of the interests of the entrepreneurs.

Such right of temporary exclusion from the placement of orders must, in particular, be provided for contracts in an amount exceeding 600,000 Units of Accounts,[1] since an elimination of restrictions can be expected to have the most drastic effects on that category of public contracts.

For a realization step by step of the complete elimination of restrictions, computation of the first quota must be based on a 15 percent rate, since the Directive, measured against the transition period, will become effective at a relatively early time.

When fixing the quotas for the consecutive years, factors will have to be taken into consideration which are unknown at the present time; for that reason, it seems appropriate to entrust to the Commission the task of establishing such quotas with the help of a simple and expedient procedure.

The simultaneous realization of freedom of establishment and free exchange of services in the realm of public works contracts which are placed in the Member States for account of the State, of the territorial subdivisions as well as other public law juridical persons must go hand in hand with the coordination of national procedures concerning the placement of public works contracts. That coordination forms the subject of a separate directive.

For the purpose of assisting the Commission in the examination of the numerous problems which may result from the implementation of this directive, as well as with a view to preparing the way for future Community regulations in the realm of public works, it is appropriate to create an Advisory Committee within the framework of Article 54, Section 3, Letter b—

Has decreed the following directive:

Chapter I. Elimination of the Restrictions on Taking Up and Exercising Entrepreneur Activities

Article 1

1. As of January 1, 1965, the Member States shall eliminate the restrictions on taking up and exercising the independent activities of entrepreneurs of the Member States in the execution of construction works for account of the State, its territorial bodies corporate as well as the public law juridical persons listed in this Directive, in accordance with the terms and conditions stipulated below.

As construction works for account of the State shall be deemed also construction works which are executed for enterprises which, regardless of their juridical nature, operate the national railroads in the six Member States.

2. The restrictions to be eliminated are those listed in Chapter III of the General Programs for the Elimination of Restrictions on the Freedom of Establishment and on the Free Exchange of Services (hereinafter called the General Programs).

As incompatible with the freedom of establishment and a free exchange of services shall be deemed, in particular, any statutory, legislative or administrative provisions as well as administrative practices which prevent or limit participation by entrepreneurs of other Member States in the placement and execution of construction works for account of the State, its territorial subdivisions and the persons listed in this Directive. This shall apply also to technical standards which, if only indirectly, obstruct the activities of entrepreneurs of other Member States.

Article 2

For the application of this Directive, the following definitions shall govern:

(a) Activities: The activities listed under General Group 40, Group 400, of Annex I to the General Program for the Elimination of Restrictions on Freedom of Establishment. Those activities comprise the execution of all works performed for account of the contract awarding entities listed in Article 3 which relate to the erection, repair, maintenance or demolition of construction works.

(b) Construction works: all above and below surface construction as well as parts of such construction, as e.g.: all kinds of buildings, below-surface construction, technical construction, tunnel construction, marine construction, port installations, installations for ocean, river and inland navigation, streets, railroad construction (substructure and superstructure), pipe lines, buildings for telecommunication purposes and cable laying for telecommunication purposes.

The following shall be deemed construction works or parts of construction works:

Construction completion such as painting, glazing, insulations, electric installations, installation of heating, ventilation and air conditioning equipment in the rooms;

Installation of elevators for persons and freight with a capacity not exceeding 500 kilos.

Not to be deemed construction works shall be any works performed in connection with the installation of mechanical, electrical or energy-producing industrial facilities; exempted from this provision shall be such parts of those facilities which can be considered as above or below surface construction.

Insofar as the classification of construction works does not result from the foregoing provisions, each Member State shall apply its internal legal provisions until a common nomenclature has been developed.

Article 3

The elimination of restrictions pursuant to Article 1 shall be carried out in favor of the beneficiaries listed under Section I of the General Programs.

This includes:

(a) All physical and juridical persons acting as entrepreneurs who become active as bidders, principal entrepreneurs or concession-holding entrepreneurs or who—insofar as possible under the legal provisions of individual States—have undertaken the performance of defined construction works on behalf of the principal entrepreneur in the capacity of sub-contractors;

(b) Companies and associations of persons without juridical personality whose members are capable, pursuant to the legal provisions of the individual State, of jointly entering into contracts.

Chapter II. Quotas

Article 4

1. For the application of this Chapter, the following definitions shall govern:

(a) Nationals and companies of the other Member States: the entrepreneurs of the Member States with the exception of entrepreneurs of the State where the contract is placed, regardless of whether they received the contract directly from the State or through agencies or branch offices established by them in that State;

(b) Public works contract: the contract in writing which is entered into between the entrepreneur on the one hand and the State, a territorial subdivision or one of the remaining juridical persons listed in this Di-

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[1 NOTE.—One Unit of Account is equivalent to one United States dollar.]

rective, on the other hand, the subject of which is the erection, repair, maintenance or demolition of a construction work from among those listed in Article 2, paragraph (b);

(c) Amount of a construction contract: the originally agreed price at which the entrepreneur has undertaken to perform the construction work, regardless of whether a lump sum price is involved or whether the price has been determined with the help of a basic price contained in a table or price list.

When determining the amount of a contract for purposes of computing the quotas, the price of all building materials and supplies required for the erection and completion of the construction works must also be taken into consideration; in this connection, the form in which those building materials and supplies are procured is of no concern.

(d) Unit of Account: the Unit of Account established in Article 4 of the Charter of the European Investment Bank.

2. For the application of this Chapter, concessions granted to private law persons the subject of which is the execution of the works listed in Article 2, paragraph (b), and contracts entered into between the beneficiaries of those concessions and the entrepreneurs shall be considered as public works contracts.

Since, pursuant to this Chapter, the amount of a contract must be taken into consideration, the estimate of the works at the time of completion of the building plans shall be controlling for purposes of the above-mentioned concessions.

Article 5

1. Any Member State may temporarily, but for not longer than to the end of the respective current year, exclude nationals or companies of the other Member States from the placing of contract, regardless of the amount of the individual contract, provided that one of the following three prerequisites exists on one of the days fixed by Article 8, Section 1:

(a) If the amount of the public works contracts which the State itself, its territorial subdivisions as well as the remaining juridical persons listed for purposes of this Directive have placed since January 1 with the above-mentioned nationals and companies exceeds the quota set for the respective year for the aggregate amount of such contracts and the amount of the public works contracts which its nationals and companies residing within its sovereign territory have received since January 1 in the other Member States does not amount to more than one-half of the above-named amount;

(b) If the amount of the public works contracts exceeding 600,000 Units of Account which the State itself, its territorial subdivisions as well as the remaining juridical persons listed for purposes of this Directive have placed since January 1 with the above-named nationals and companies exceeds the quota for the aggregate amount of contracts exceeding 600,000 Units of Account established for the respective year, and the amount of the public works contracts exceeding 600,000 Units of Account which its nationals and companies residing within its sovereign territory have received since January 1 in the other Member States does not amount to more than one-half of the above-mentioned amount;

(c) If the amount of the public works contracts of up to and including 600,000 Units of Account which the State itself, its territorial subdivisions as well as the remaining juridical persons listed for purposes of this Directive have placed since January 1 with the above-named nationals and companies exceeds the quota for the aggregate size of contracts of up to and including 600,000 Units of Account established for the respective year, and the amount of the public works contracts of up to and including 600,000 Units of Account which its nationals and companies residing within its sovereign territory have received since January 1 in the other Member States does not amount to more than one half of the above-mentioned amount.

2. Independently from the provisions contained in Article 1, any Member State may temporarily, but for not longer than to the end of the current year, exclude nationals and companies of the other Member States from the placing of public works contracts exceeding 600,000 Units of Account if the amount of contracts of that kind placed with said nationals and companies attains double the quota for the aggregate amount of contracts exceeding 600,000 Units of Account established for the respective year.

3. If the requirements listed in Section 1 exist and special circumstances justify it, the Grand Duchy of Luxembourg may be authorized by the Commission of the European Economic Community to exclude temporarily from the placement of public works contracts nationals and companies of the other Member States without regard to the aggregate amount of construction contracts which nationals and companies residing within its sovereign territory have received since January 1 in the other Member States.

Article 6

1. The first quota shall become effective on January 1, 1965; the last quota shall be effective until December 31, 1969.

2. The quota related to the aggregate amount of public works contracts for the year 1965 shall be established by each Member State at 15 percent of the annual average of the amount of public works contracts which it has placed during the period from January 1, 1963, through December 31, 1964.

3. The quota related to the aggregate amount of public works contracts exceeding 600,000 Units of Account for the year 1965 shall be established by each Member State at 15 percent of the annual average of the amount of public works contracts exceeding 600,000 Units of Account which it has placed during the period from January 1, 1963, through December 31, 1964.

4. The quota related to the aggregate amount of public works contracts of up to and including 600,000 Units of Account for the year 1965 shall be established by each Member State at 15 per cent of the annual average of the amount of public works contracts of up to and including 600,000 Units of Account which it has placed during the period from January 1, 1963, through December 31, 1964.

5. The rate applicable to each of the kinds of quotas named in the foregoing Sections 2 through 4 during the two subsequent two-year periods shall be fixed by the Commission of the European Economic Community after hearing the Member States, in each case at a rate exceeding the preceding rate.

6. In deviation from Article 4, Section 2, the annual average referred to in Sections 2 through 4 shall not apply to concessions granted prior to January 1, 1965.

Article 7

1. Not later than by March 31 of the respective current year, each Member State shall pass on to the Commission of the European Economic Community the following information:

(a) The amount of the public works contracts placed during the preceding year, subdivided into contracts exceeding 600,000 Units of Account and contracts of up to and including 600,000 Units of Account.

(b) The quota in effect for the respective current year with respect to each of the kinds of quotas listed in Article 6, Sections 2 through 4.

For purposes of application of the first quota, however, the information shall relate to the annual average of values of contracts entered into during the two preceding calendar years, in consideration of the subdivision provided for in paragraph (a) above, and to the quota pursuant to paragraph (b) above.

All contracts must be stated in the national currency and must be converted into Units of Account.

2. The Commission of the European Economic Community shall see to it that all fixed quotas are published for general information in the Official Gazette of the European Communities.

Article 8

1. Each Member State shall determine, as of April 30, June 30 and October 31, and, for statistical purposes, as of December 31 of each year, the amount of contracts which were placed with the nationals and companies of each one of the other Member States as well as to the nationals and companies of the other Member States as a group. The amounts must be stated in the national currency and must be converted into Units of Account; they must be subdivided into contracts exceeding 600,000 and contracts of up to and including 600,000 Units of Account.

Each Member State shall make those figures known to each of the other Member States as well as to the Commission of the European Economic Community prior to May 31, July 31, November 30 and March 31, respectively, of each year.

2. For purposes of determining the amount of contracts granted to nationals and companies of the other Member States:

Contracts given to subsidiaries which clearly are not in a position to exercise their activities without substantial cooperation from the parent company shall be considered as placed with the parent company;

Contracts with respect to which, in conformity with the national provisions, the principal entrepreneur transfers the execution of a part of the performances forming the subject of the contract to one or several authorized sub-contractors shall be considered, up to the amount of works to be executed by such sub-contractor or sub-contractors, as concluded with such sub-contractor or sub-contractors, and for the remaining amount, as concluded with the principal entrepreneur;

Contracts given to an association of entrepreneurs the members of which do not reside within the sovereign territory of one and the same Member State shall be considered, up to the amount of payments to which individual entrepreneurs are entitled—insofar as such amounts are stated separately—as placed with the individual entrepreneurs. In the case of contracts for which the aggregate amount of the works is not subdivided into individual entrepreneurs, the Member States may take appropriate measures to oblige said associations of entrepreneurs, upon conclusion of the contract, to subdivide the aggregate amount of the works among the individual entrepreneurs and to publicize such subdivision.

If the subdivision into individual entrepreneurs is not stated in the contract, and if it cannot be determined after conclusion of the contract, the contract shall be considered as entered into with the entrepreneur to which payment will have to be made.

Article 9

1. If a Member State asserts its right, pursuant to Article 5, of temporarily excluding nationals and companies of other Member States from the placement of public works contracts, it must immediately so advise the Commission of the European Economic Community.

The Commission of the European Economic Community shall see to it that such a decision is published in the Official Gazette of the European Communities.

2. Temporary exclusion from the placement of contracts by a Member State shall be effective until the end of the respective current year, unless one prerequisite listed under Article 5, Section 1, no longer exists, i.e., the amount of contracts placed by the other Member States with nationals and companies of the respective Member State residing within its sovereign territory as of June 30 or October 31 of the respective current year no longer exceeded one-half of the corresponding amount of contracts placed with nationals and companies of the other Member States. In that case, the Member State which temporarily excluded the nationals and companies of the other Member States from the placement of public works contracts must include them again and advise the Commission of the European Economic Community of that fact without delay.

3. On the basis of a suspension decision by a Member State, nationals and companies of the other Member States cannot be excluded from participation in the placement and awarding of those contracts for which an invitation for bids had been issued prior to the publication of such suspension decision.

4. The Commission of the European Economic Community shall inform the other Member States, by a notice to be published in the Official Gazette of the European Communities, of the resumption of the placement of public works contracts in the respective Member State with nationals and companies of the other Member States.

Chapter III. The Role of the Commission—Advisory Committee for Public Works Contracts

Article 10

When examining disputes and problems which arise from the implementation of measures which the Member States will take by virtue of the Directives on the elimination of restrictions on the freedom of business establishment and the free exchanges of services in the realm of public works as well as for the coordination of procedures relating to the placement of public works contracts, the Commission of the European Economic Community shall be assisted by a committee. That committee shall, in particular, have the following task:

(a) To prepare opinions for the Commission on individual cases which the Commission or one of the members of the committee submitted to it in connection with the implementation of the Directives as well as the application of the provisions concerning the placement of public works contracts by the public administrations and public law juridical persons of one Member State to the nationals and companies of the other Member States;

(b) To examine in connection with the application of these Directives whether supplemental provisions or possibly amendments would be appropriate.

Article 11

The Member States shall be obliged, upon request by the Chairman, to supply to the advisory committee any information required to carry out its tasks.

Article 12

The members of the committee shall be appointed by the Member States; each Member State shall supply one regular and one substitute member. The substitute member may attend meetings at any time.

The members of the committee may ask for assistance from officials in an expert capacity.

If the Committee considers it necessary when examining special cases, it may ask for assistance from additional persons.

The Commission shall bear the travel and lodging expenses of regular and substitute members.

The Member States shall bear the travel and lodging expenses for the experts and other persons whose advice had been sought.

Article 13

The chairmanship of the advisory committee shall be held by an official of the Commission of the European Economic Community.

The Chairman shall not participate in the voting. He may ask for assistance from technical advisers.

The secretarial duties of the committee shall be performed by the services of the Commission.

Article 14

Notwithstanding Article 214 of the Treaty, the members of the committee and the technical advisers shall be obliged to observe secrecy.

Article 15

Meetings of the committee shall be called by the chairman, when he so desires, or upon motion by one of the Member States.

Article 16

The committee shall have a quorum when two-thirds of the members are present. Each member or, respectively, his substitute, in his absence, shall have one vote.

The opinions of the committee must be reasoned opinions; they shall be adopted with absolute majority of votes. Upon request of the minority, a memorandum containing the opinions held by the minority must be attached to the opinions.

Article 17

If necessary, the committee shall adopt internal regulations.

Chapter IV. Final Provisions

Article 18

The Member States shall take the necessary measures to safeguard implementation of this Directive at the times set forth in the preceding Articles; they shall advise the Commission without delay of such measures.

Article 19

The Member States shall see to it that the Commission of the European Economic Community is informed of all future proposals for legal and administrative provisions which they intend to enact in the field of taking up and exercising the activities governed by this Directive.

Article 20

The text of the Annex shall be an integral part of this Directive.

Article 21

This Directive is addressed to all Member States.

Brussels, this — day of ——— 196 .

On behalf of the Council,

———, *The President.*

ANNEX

To the first directive concerning the participation of entrepreneurs in the placement and execution of building projects for the account of the State, its territorial subdivisions as well as other public law juridical persons.

List of public law juridical persons referred to in the first article

In addition to the State (and organs on the same footing referred to in the first article, paragraph 1, sentence 2, of the Directive) and its territorial subdivisions such as Länder, regions, departments and communes, there are subject beginning with January 1, 1965, to the regime instituted for the participation of the entrepreneurs of all the Member States in public works contracts, the following specific public law juridical persons, with regard to:

I. All the Member States: The public law associations organized by the territorial subdivisions, as for example, "Gemeindeverbände", "Zweckverbände", etc.

II. In the Federal Republic of Germany: The "bundesunmittelbaren Körperschaften, Anstalten und Stiftungen des öffentlichen Rechts" [direct federal corporate bodies, institutions and establishments of the public law].

III. In the Kingdom of Belgium: The Highway Funds 1955–1969, The Airway Administration, The Public Assistance Commission, The Church Vestries, The Office Regulating Internal Navigation, The Refrigerating Services Administration of the Belgian State.

IV. In the Republic of France: The other public establishments of an administrative character, at the national, departmental and local levels.

V. In the Republic of Italy: The State universities and university institutes, the consortiums for the construction of universities, the higher scientific and cultural institutes, the astronomical, astrophysical, geophysical and volcanological observatories, the "Enti de riforma fondiaria," the welfare and benevolent institutions of all kinds.

VI. In the Grand Duchy of Luxembourg: The Social Insurance Offices.

VII. In the Kingdom of The Netherlands: The "Waterschappen" [The Boards of Dikes Surveyors],

The "Rijksuniversiteiten" [the Royal Universities],

The "Academische Ziekenhuizen van de Rijksuniversiteiten" [the Academic Hospitals of the Royal Universities], and the "De Gemeentelijke Universiteit van Amsterdam" [the Municipal University of Amsterdam],

The "Technische Hogescholen" [the Technical High Schools],

The "Nederlandse Centrale Organisatie voor toegepast natuurwetenschappelijk Onderzoek (T.N.O.)" [the Central Netherlands Organization for Applied Natural Science Research] and the organizations which are attached to it.

SCHEDULE C. EUROPEAN ECONOMIC COMMUNITY—FIRST DIRECTIVE CONCERNING THE COORDINATION OF PROCEDURES FOR THE PLACEMENT OF PUBLIC WORKS CONTRACTS

(Submitted to the Council by the Commission)

(Unofficial Translation From German)

The Council of the European Economic Community—

In view of the Treaty establishing the European Economic Community, in particular, Articles 7, 54, 63, 100 and 223,

In view of the General Program for the Elimination of Restrictions on the Freedom of Establishment, in particular, Title IV, Section B, Paragraph 1,

In view of the General Program for the Elimination of Restrictions on the Free Exchange of Services, in particular, Title V, Section C(e), Paragraph 1,

Upon proposal of the Commission,

After consultation of the European Parliament,

After consultation of the Economic and Social Committee,

Whereas the simultaneous realization of the freedom to establish a business and of a free exchange of services in the field of public works contracts placed in the Member States for account of the State, the territorial subdivisions as well as other public law juridical persons requires, in addition to an elimination of restrictions, a coordination of national procedures governing the placement of public works contracts;

Whereas such coordination must, however, take into consideration the procedures and administrative practices existing in each Member State;

Whereas the Council, in its statement relating to the above-mentioned General Programs, has stressed that the coordination must be based on certain principles which relate to prohibition to describe technical characteristics with discriminatory effect; sufficient publication of proposed awards; preparation of objective criteria for participation; and introduction of a procedure which will offer a guaranty that such principles are observed;

Whereas it must be avoided that different systems are applied to construction contracts of railroad administrations because of their differing juridical personalities and, thus, railroads which are juridical persons under public law must be excluded from the sphere of application of this Directive and it is expected that that area will be covered by a separate directive;

Whereas, while it is necessary to make provision for exceptional cases to which the measures for coordination of the procedures will not be applied, it is likewise necessary to limit such cases explicitly;

Whereas construction contracts of a size below 60,000 Units of Account do not appear liable to affect [adversely] competition at the level of the Common Market and, therefore, such contracts must be excluded from the application of the coordination measures;

Whereas, for technical reasons, publication in the Community cannot extend to all proposed awards subject to the coordination measures and, therefore, during the transitional period, decreasing thresholds of 1,000,000, 600,000 and 300,000 Units of Account must be distinguished;

Whereas it is appropriate to create an Advisory Committee within the framework of Article 54, Section 3, Paragraph (b), for the purpose of assisting the Commission in the examination of problems which might arise in the implementation of this Directive; with a view to preparing the future joint regulations in the field of public works contracts; as well as to comply with one of the provisions contained in the above-mentioned statement by the Council—

Has enacted the following Directive:

Title I. General provisions

Article 1

1. (a) As public works contracts shall be deemed agreements in writing which are concluded between an entrepreneur on the one hand and the public contracting authorities as they are named in greater detail under paragraph (b) of this Article, on the other, and which relate to the construction, maintenance or demolition of one of the construction works listed in Article 2, Item (b), of the first Directive concerning Participation of Entrepreneurs in the Placement and Execution of Building Projects for Account of the State, the Territorial Subdivisions as Well as Other Public Law Juridical Persons.

(b) As public contracting authorities in the six Member States shall be deemed the State, the territorial subdivisions and the bodies corporate which are listed in the annex to the Directive mentioned above under (a).

(c) Unless otherwise provided for in this Directive, the public contracting authorities shall apply their national procedures to public construction works.

(d) Application of the placement procedures to public construction contracts shall be compulsory, except for cases in which the counter-performance for the work to be done consists not only of the payment of a price, but of the grant of a right to use the construction project for a certain period. In this case, the public contracting authority may avail itself of the system for grants of concessions. If the owner of the concession is a public contracting authority within the meaning of paragraph (b), such authority must apply to the award of construction services to be rendered by third parties the national procedures concerning awards of public construction contracts as adjusted on the basis of this Directive.

(e) These provisions shall not apply to the public construction contracts of the railroad administrations. The prerequisites under which construction contracts of railroad administrations in the six Member States are to be placed will be governed by a separate coordination directive.

2. Within the meaning of this Directive,

(a) The word "entrepreneur" shall be taken in its broadest meaning; it shall include without differentiation "entrepreneur" in the proper meaning as well as "enterprise", "tradesman" and "company" within the meaning of Article 58 of the Treaty;

(b) The entrepreneur who has submitted a bid shall be designated by the word "bidder"; the entrepreneur who has applied for an invitation to participate in a restricted procedure on the basis of the publication as it is provided for in Article 8, Section 2, shall be designated as "applicant".

Article 2

1. The common provisions of this Directive concerning open procedures (Articles 6 through 10, 13, 14, 18, 20 through 26, 28 and 29) within the meaning of this Directive shall apply to the individual State procedures under which all interested entrepreneurs may bid.

2. The common provisions concerning restricted procedures (Articles 6 through 9, 11 through 13, 15, 16, 18 through 29) within the meaning of this Directive shall apply to the individual State procedures under which only entrepreneurs invited by the public contracting authority may bid.

3. To a placement of contracts in the cases stated in Article 5, only the common provisions of Articles 6, 7 and 17 shall apply; this does not affect contracts placed pursuant to Article 5, paragraph (j), to which all common provisions of this Directive shall apply, with the exception of the provisions contained in Title III.

4. To the contracts named in paragraphs 1, 2 and 3 above, the provisions of Articles 30 through 37 concerning the Advisory Committee for Public Works Contracts shall apply in addition.

Article 3

The common provisions contained in this Directive and the provisions of Article 5 shall be applied, subject to the prerequisites of Article 2, to all public works contracts the estimated amount of which attains or exceeds 60,000 Units of Account (EEC).

The common provisions on publication contained in Articles 8 through 17 shall not apply to construction contracts of an estimated amount not exceeding 1,000,000 Units of Account (EEC) for the period from January 1, 1965, to December 31, 1965; 600,000 Units of Account (EEC) for the period from January 1, 1966, to December 31, 1967; 300,000 Units of Account (EEC) from January 1, 1968.

Exclusion from the award of contracts as provided for in Article 5 of the Directive mentioned in Article 1, Section 1, paragraph (a), shall not entitle the Member States to suspend publication pursuant to Title III.

The amounts which result from conversion of values stated in Units of Account into the respective national currencies can be found in the annex.

Article 4

When computing the amount pursuant to Articles 3, 5 and 28, the cost of deliveries made simultaneously with the construction works, but forming the subject of a separate public contract, must also be taken into consideration.

Article 5

The public contracting authorities may award construction contracts without applying for common provisions of this Directive, with the exception of Articles 6, 7 and 17:

(a) If, after applying one of the procedures provided for in the Directive, no bids, or no proper bids, were received or if bids received were unacceptable, in accordance with Chapter IV, pursuant to national provisions regulating the placement of contracts, because of some provision contained therein;

(b) If the only entrepreneur to be considered for the respective performance is the one who owns the patents or improvement patents or licenses therefor, or the exclusive right to import or use granted by the manufacturer with respect to the technical know-how or supplies related thereto, or if the performance can be rendered by only one entrepreneur or supplier, regardless of whether or not he is domiciled within the territory of the Community;

(c) If a performance, in the absence of a legal or factual monopoly, can, because of compelling technical reasons, obviously be rendered only by a particular entrepreneur, regardless of whether or not he is domiciled within the territory of the Community;

(d) If, because of its artistic nature, the repair or maintenance of a construction work can only be done by experienced artists or experts, regardless of whether or not they are domiciled within the territory of the Community;

(e) If the performance is rendered only for purposes of research, testing, exploration, or improvements;

(f) To the extent that it is unavoidably necessary, because the time-limits provided for in the other procedures cannot be kept for compelling reasons of urgency which could not be foreseen by the respective person or entity placing the public contracts;

(g) If the construction work is of a secret nature;

(h) In the case of additional construction works which were not foreseen in the original proposal submitted for bids and the first contract entered into, but which are required, because of an unforeseen event, in order to execute the construction works described therein, provided the work is placed with the entrepreneur who executes such contract:

Provided that such works cannot, in technical and economic respects, be separated from the main contract without substantial disadvantage to the person or entity placing the public contract;

Or provided such work may be separated from the first contract, but is inevitably necessary for its improvement;

The aggregate amount of contracts which are placed in application of the provisions contained in the first or second paragraph may, however, not exceed 50% of the original amount of the first contract;

(i) In exceptional cases, if works are involved which, because of their nature or the risks attaching thereto, do not admit of sound price formation at the outset and which, therefore, must be executed at cost; the public contracting authorities shall advise the Advisory Committee of all cases to which this provision was applied;

(j) During the transition period, if the price formation is withdrawn from the normal effects of competition in the Community and if the number of entrepreneurs from other Member States invited to bid is not less than one-third of the aggregate number of invited entrepreneurs. However, in that case, entrepreneurs invited to bid must fulfill the criteria for acceptability contained in Title IV, Chapter 1 of this Directive; the adjudication shall be made pursuant to the provisions contained in Title IV, Chapter 2. The Member States shall advise the Advisory Committee of all cases to which this provision has been applied.

The Member States shall send to the Advisory Committee, before the end of the month of March of each year, a statement

concerning the number and amount of orders placed in the preceding year on the basis of items (a) through (i). If possible, they shall subdivide contracts placed by each separate item.

This obligation relates to contracts the amount of which exceeds 1,000,000 Units of Account (EEC) during the period from January 1 to December 31, 1965; 600,000 Units of Account (EEC), during the period from January 1, 1966, to December 31, 1967; and 300,000 Units of Account (EEC), from January 1, 1968.

Title II. Common provisions concerning the description of technical characteristics

Article 6

The description of technical characteristics in the realm of public works contracts shall comprise, pursuant to this Directive, all technical prescriptions, and in particular those contained in the general and specific contract specifications, with the help of which a work, building material, product or supply (in particular quality; performance) is objectively outlined so that the work, building material, product or supply will fit the purpose which the public contracting authority has in mind.

Included in such description of technical characteristics shall be the mechanical, physical and chemical properties; classifications and standards; requirements for testing, supervision and acceptance of the construction work, construction components or building materials; it shall further include the techniques and construction methods as well as all other requirements of a technical nature to which the public contracting authority will subject the building materials, the construction components and the finished construction by way of general or specific rules.

If a project prepared under provisions concerning the computation of prices for construction work which are different from those customary in the country where the contract is placed, but which can be reconciled with the requirements contained in the contract specifications, belongs to those projects which can be taken into consideration, the public contracting authority shall be obliged to examine the project with special care with respect to the justifications and explanations submitted by the bidder.

Article 7

The description of technical characteristics pursuant to Article 6 may not have any discriminatory effect or consequence.

The prohibition contained in the preceding paragraph shall relate to all discriminatory provisions in legal and administrative regulations which represent restrictions on the free exchange of services within the meaning of Article 60, Section 1, of the Treaty and Title III of the General Program for the Elimination of Restrictions on the Free Exchange of Services, as well as any discrimination in connection with the award of an individual contract which may be contained, in particular, in the special contract specifications for that individual contract. Applicability of Articles 31, 32, Section 1, and 33, Section 7, to discriminatory provisions in legal and administrative provisions through which the importation of merchandise is restricted shall be reserved.

As discriminatory within the meaning of this Directive shall be considered, in particular, any technical requirement which directly or indirectly results in preferential treatment of one or several enterprises to the disadvantage of enterprises in the remaining countries of the Community or the exclusion of the latter enterprises.

As discriminatory shall be deemed, in particular, descriptions which, without any justification by the particular construction work, have the following content:

1. A mention of the trademark of a designated product, appliance or building material or of the firm which produces or distributes such merchandise, even where the trademark is followed by words such as "* * * or of a similar kind", "* * * or of another kind of equal quality", etc., or if the corresponding inference is made by mere reference to price lists or leaflets;

2. A reference to patents, types, generic names, models, procedures or to objects already used in constructions, or to price lists, or any defining reference to an object of particular manufacture or origin;

3. Indication of the place of origin, exploitation, extraction, fabrication, or production;

4. Indication of particular technical or other characteristic if worded in such a manner that a priori objects of a particular manufacture or origin are preferred or excluded.

If Community standards or clear rules of equal value exist, these must be used as the basis for contract specifications. If that is not the case, the description of technical characteristics as well as of methods of testing, control, acceptance and price computation shall be established in the contract specifications, with the exclusion of exceptional cases for which such action can be justified by the peculiarity of the construction project.

If national standards are prescribed for a description of technical characteristics, this does not represent discrimination, unless Community standards or provisions of equal value, as they are described in the preceding paragraph, exist.

Title III. Common rules for publication

Article 8

The publication provided for in this Directive is intended to produce the largest possible competition in open as well as in restricted proceedings. For that purpose, entrepreneurs who are nationals of the Member States shall be notified of construction contracts which the public contracting authorities of the Member States intend to award.

In the case of restricted proceedings, the publication is intended particularly to make it possible for entrepreneurs of the Member States to evidence their interest in the contracts by applying to the public contracting authority for an invitation to submit a bid in accordance with the prescribed requirements.

Article 9

The public contracting authorities which intend to award a construction contract by way of a public or a restricted proceeding, shall declare their intent through a notice.

That notice shall be forwarded to the EEC Commission and published in the Official Gazette of the European Communities in full in the official languages of the Community, the original language representing the only authentic text.

In an expedited proceeding, the notice shall be published in the original language only in the four editions of the Official Gazette of the European Community.

The notice shall be published in the Official Gazette of the European Community not later than 10 days after its mailing; in the case of the expedited proceeding provided for in Article 12, not later than six days after mailing.

In the Official Gazette or, where it does not exist, in specially designated organs of the press of the awarding State, the notice may not be published prior to the above-mentioned mailing date, and that date must be shown in such notices.

The public contracting authority must be able to prove the time of mailing.

Article 10

In the case of open proceedings, the time-limit for offers to be fixed by the public contracting authority must be at least 35 days, counted from the day of mailing of the notice. The public contracting authority must furnish additional information, if any, not later than six days before expiration of the time-limit for offers.

If offers can only be submitted after the inspection of the site or examination of publicly displayed adjudication procedures or if they require complicated computations, the time-limit for offers shall be at least 49 days, counted from the day of mailing the notice.

Article 11

In the case of restricted proceedings, the time-limit for the application to participate to be set by the public contracting authorities must be at least 21 days, counting from the day of mailing the notice.

The public contracting authorities must give additional information, if any, until not later than six days prior to the expiration of the time-limit for offers.

If the offers can only be submitted after an inspection of the site or examination of publicly displayed contract specifications or if they require complicated computations, the time-limit for offers must be at least 35 days.

Article 12

If the time-limits provided for in Article 11 cannot be kept for reasons of urgency, the public contracting authorities shall be authorized to shorten the time-limits as follows:

—the time-limit for application to participate, to not less than 12 days from the day of mailing the notice;

—the time-limit for the offer, to not less than eight days from the day of mailing the notice.

The public contracting authority must give any additional information which may be requested until not later than four days prior to the expiration of the time-limit for offers.

The time-limit for inviting bids shall be established by the public contracting authorities in their own discretion.

The application to participate as well as the invitation to bid may be transmitted in writing, by telegram, by telephone or by telex.

Article 13

All details which enable the entrepreneur to form a sufficient idea of the construction work to be executed and requirements to be complied with in that connection must appear from the notices in the Official Gazette of the European Community.

A notice of the national official gazettes or, in their absence, in the press organs designated for that purpose may not contain any other information than that contained in the notice in the Official Gazette of the European Community.

Article 14

In the case of open proceedings, the notice shall at least contain the following information:

(a) The date of its mailing to the Official Gazette of the Communities;

(b) The type of proceeding;

(c) The place of execution, the type and size of the performances to be rendered as well as the essential characteristics of the works;

—if the order consists of several lots: the size range of the individual lots and the possibility to submit a bid for one lot, several lots or for the entire project;

—in the case of announcements relating to contracts which, in addition to the possible execution of construction works, require the preparation of draft projects, only such information as will make it possible for the entrepreneurs to recognize the objective of the contracts and submit corresponding proposals;

(d) Where applicable, the time-limit for execution;

(e) The address of the office submitting the invitation for bids;

(f) The address of the office from which contract specifications may be requested, as

well as the day until which they must be requested; there must be indicated furthermore the amount payable in order to obtain said specifications, as well as the manner of payment of such amount.

(g) The address of the office which will supply additional information on the adjudication particulars or on the work to be performed, as well as the times at which such information can be obtained;

(h) The day until which bids must be submitted, and the records to be attached which relate to the technical description of the bid; the address of the office to which they are to be submitted, as well as the language in which they must be drafted;

(i) The records to be attached to the bid which facilitate an evaluation of the technical and economic capacities of the bidder pursuant to the provisions contained in Articles 20 through 26.

(j) Who may be present when the bids are opened, as well as the day, hour and place for the opening of the bids;

(k) If applicable, indication of deposits and other sureties which the person or entity placing the public contract may require in some form;

(l) The terms for financing and payment and/or reference to the regulations in which they are set forth;

(m) The formal requirements for admission of the bid or reference to the regulations in which they are set forth;

(n) Whether associations of entrepreneurs must have a designated juridical form in order to be admitted to submit bids;

(o) The criteria for adjudication pursuant to Article 28;

(p) The period for which bidders shall remain bound by their bids.

Article 15

In the case of restricted proceedings, the notice shall contain at least the following information:

(a) The information under Article 14, Items (a), (b), (c), (d), (e), (n), and (o);

(b) The day until which applications to participate must be submitted, the address of the office to which they must be submitted as well as the language in which they are to be drafted;

(c) The day until which invitations to submit bids will be mailed out by the office inviting the bids;

(d) Description of information which will facilitate an evaluation of the technical and economic capabilities of the competitor under the provisions contained in Articles 20 through 27, and which must be attached to the application for participation in the form of statements which may later be examined and verified.

Article 16

In the case of restricted proceedings, the invitation to submit bids shall contain at least the following information:

(a) The information listed under Article 14, Items (f), (g), (h), (j), (k), (l), (m) and (p);

(b) A reference to the notice described in Article 15;

(c) A request for records which, if the case should arise, may serve to prove the correctness of the statements to be made by the competitor pursuant to Article 15, Item (d).

Article 17

It is left to the discretion of the public contracting authorities to call attention by public notice to an award of public works contracts which are not subject to the publication duty under this Directive, provided that the amount of such orders is not below 60,000 Units of Account.

Title IV. Common participation provisions

Article 18

1. The criteria for participation comprise aptitude criteria and adjudication criteria.

2. The public contracting authorities shall examine the technical aptitude of entrepreneurs who are not eliminated on the basis of Article 20, pursuant to uniform criteria of economic, financial and technical capacities as stated in Articles 23 through 26, while adjudication shall be made on the basis of the adjudication criteria stated in Chapter 2 of this Title.

Article 19

In the case of restricted proceedings within the meaning of Article 2, Item 2, the public contracting authorities shall select from among the competitors who fulfill the capacity requirements provided for in Articles 20 through 26 those competitors who will be invited to submit a bid.

When the Advisory Committee examines individual cases, it shall be assumed that discrimination by reasons of nationality does not exist if the number of competitors from other Member States who are invited to submit a bid amounts to at least one-third of the aggregate number of invited competitors.

Should the number of competitors from the other Member States who fulfill the capacity requirements provided for in Articles 20 through 26 not be sufficient, that assumption can be made only if the public contracting authority invited all competitors to submit a bid.

Chapter I. Capacity Criteria

Article 20

It shall be possible to exclude from participation in adjudication proceedings entrepreneurs:

(a) With regard to whom a bankruptcy proceeding or a settlement proceeding has been instituted or who are in liquidation, who have ceased to exercise their professional activity or who are in a corresponding status because of a similar proceeding instituted pursuant to national legal provisions;

(b) Against whom institution of a bankruptcy proceeding or a proceeding for court settlement has been requested or against whom other similar proceedings have been requested on the basis of national legal provisions; who have been condemned under a legally effective decision for reasons which place their professional reliability in question;

(c) Who have committed, within the scope of their professional activities, a violation of the law, a grave offense or a violation of trust and good faith which can be proven to have been ascertained by the public contracting authority;

(d) Who, at the time of adjudication, have obviously not complied with their obligation to pay social welfare contributions under the law of the country in which they are domiciled or under the law of the country in which the public adjudication takes place;

(e) Who have been guilty of false statements when giving such information as can be requested pursuant to this Chapter.

The entrepreneur shall submit a certificate issued by the competent authority and, in cases where this is not possible in accordance with national legislation, a declaration, from which appears that the conditions listed under Items (a), (b), (c), (d) and (e) do not exist in his case.

If the conditions listed under Items (a) and (b) exist with regard to an entrepreneur, possible participation in the adjudication procedure may be made subject to a declaration from which his financial situation as well as the facilities at his disposal for regular execution of the works clearly appear.

Article 21

The public contracting authority who excludes an entrepreneur on the basis of Article 20 shall inform the Advisory Committee to that effect.

The public contracting authority shall inform the entrepreneur concerned upon his request of the reasons for exclusion if he is excluded by reason of the provisions contained in Items (a), (b) or (c) of Article 20.

Article 22

Entrepreneurs who desire to participate in public works contracts may be invited to submit proof of entry into the professional register of the particular country of the Community in which they have their establishment: for Belgium, the "Registre de Commerce" or "Handelsregister"; for Germany, the "Handelsregister" or the "Handwerksrolle"; for France, the "Registre de Commerce"; for Italy, the "Registro della Camera di Commercio, Industria e Agricoltura"; for Luxembourg, the "Registre de Commerce" and the "Rôle de la Chambre des Métiers"; for the Netherlands, the "Handelsregister".

Article 23

The proof of financial and economic capacities of the entrepreneur may be made:

(a) By appropriate bank references;

(b) By submitting balance statements or excerpts from balance statements of the enterprise, if publication thereof is required under the corporate law of the country in which the entrepreneur has his business seat;

(c) By a statement concerning the aggregate turnover and the turnover in execution of construction works of the enterprise during the last three business years.

The public contracting authorities shall indicate in the notice or in the invitation to submit bids the kind of proof that should be submitted to them.

If the above means of proof are not available to the entrepreneur, he may submit evidence of his financial and technical capacities by submission of other documents.

Article 24

Proof concerning the technical capacity of the entrepreneur and of the persons and installations listed under Item (e) may be made as follows:

(a) By documents evidencing the technical training and professional experience of ranking employees of the enterprise, in particular of the person(s) responsible for the execution of the work in technical respects;

(b) By certificates showing what types of work were executed and/or directed during the last five years; in this connection, the amount of the construction size as well as time and place of construction execution must be indicated; furthermore, the certificates must show whether the works satisfied the recognized rules of technical science and whether they were executed in good order;

Where construction works were involved which had been performed or directed for public contracting authorities, the certificate must be issued by the authority having jurisdiction or be fixed by it; it shall be granted to an entrepreneur or, if the authority having jurisdiction does not deem it possible to deliver it to an entrepreneur, it shall be sent by it to the public contracting authorities in the other Member States upon request of the entrepreneur;

If, on the other hand, construction works are involved which were performed or directed for persons or entities placing private orders, the certificate must, if possible, be issued by such person or entity or by the person in charge of construction, where appropriate, and in that case, ratified by the person or entity placing the order;

(c) By a declaration stating the type of the facilities, building apparatus and technical equipment which the entrepreneur has at his disposal for the execution of the works;

(d) By a declaration setting forth the average number of persons employed by the entrepreneur during the last three years;

(e) By a declaration concerning the technical management, planning or building direction offices, regardless of whether or not

they are attached to the enterprise, if the public contracting authorities require their intervention or if the entrepreneur intends to avail himself of their intervention.

The public contracting authorities shall indicate in the notice or in the invitation for bids the type of documentation that must be submitted to them in each case.

Article 25

1. The Member States which keep official lists of entrepreneurs admitted for public construction works must reexamine such lists upon effectiveness of this Guideline, on the basis of Article 20, Items (a) through (d) and (f), and Articles 20 through 24.

2. Entrepreneurs who are entered in such lists may submit to the public contracting authority a certificate from the competent authority concerning such entry whenever an order is awarded.

3. The entries in such lists as certified by the competent authorities shall represent as against the person or entity of the other Member States who places public orders an assumption of recognition of that particular entrepreneur, within the meaning of Articles 20, Items (a) through (e) and (f), and Articles 20 through 24, for the type of work resulting from his classification.

Information to be gathered from the list shall not be placed in doubt. However, with respect to payment of social security contributions, an additional certificate may be requested from each entrepreneur entered in the lists whenever an order is awarded.

The preceding provisions shall apply as against public contracting authorities of the other Member States in favor of such entrepreneurs who have a business establishment in the country in which an official list is kept.

4. For acceptance of foreign entrepreneurs for entry into such a list, only those proofs and declarations can be required which apply in the case of national entrepreneurs, and in any event, only those which are listed in Articles 20 and 22 through 24.

5. Those Member States which keep official lists shall communicate to the other Member States the office, and the address thereof, at which the applications for listing may be filed.

Article 26

The public contracting authorities shall determine the certificates which the entrepreneur will have to submit in accordance with Article 20, last paragraph, and Articles 22 through 25, and the nature, importance and size of the works to be executed as well as the financing and payment terms in accordance with Articles 14 through 16 will have to be taken into consideration in such determination.

Article 27

At the first stage of restricted procedures, the competitors must comply with the requirements of Articles 20 and 22 through 25 by simple statements.

Records required to prove such statements may be requested by the public contracting authority only when an invitation to bid is made, with the exception of the case provided for in Article 20, paragraph 2.

Chapter II. Adjudication Criteria

Article 28

When adjudicating a contract, the public contracting authority shall apply the following criteria:

Either the criteria of lowest price exclusively;

Or various criteria changing with the contract, such as price, transportation costs, period of execution, operating expenses, profitability and, in the case of adjudication proceedings which relate to a competition of ideas or provide for, or require, presentation of alternative proposals, the technical value.

If several adjudication criteria are used, they shall, so far as possible, be stated in all cases in the published notice in the order of importance attributed to them by the public contracting authorities. They may, furthermore, be provided with a coefficient which permits the exact evaluation in figures of such importance.

During the transition period, public contracting authorities can select the criterion of the price to be computed under the national provisions then in effect; this shall be applicable, during the period from January 1, 1965, through December 31, 1965, for orders of an estimated size not exceeding 1,000,000 Units of Account (EEC); during the period of January 1, 1966, through December 31, 1967, for contracts of a size not exceeding 600,000 Units of Account (EEC); and from January 1, 1968, to the end of the transitional period, for contracts of a size not exceeding 300,000 Units of Account (EEC).

Article 29

1. The financial terms and conditions, e.g., payments in advance, payments on account, payment terms, shall be indicated for each contract pursuant to Article 14, Item (1), and Article 16, Item (a). The public contracting authority shall be strictly bound by these provisions and cannot consider any other financing terms when making the awards.

2. If the works comprise deliveries by the entrepreneur, the adjudication particulars or the special cost estimates shall establish whether the price shall include transportation costs or not.

3. If the period of execution published in the notice will be used as one of the adjudication criteria, the contract specifications or the special cost estimates shall determine the terms of application of such criterion.

The contract specifications or the special cost estimates shall determine the extent of contractual penalties or premiums arising in the case of delays or accelerated completion of the construction work, to be related to the execution term established in the contract.

4. The contract specifications or the special cost estimates shall determine the specific requirements under which the technical value of the contract subject will be judged, to the extent that that criterion can be applied pursuant to Article 28, paragraph 1, second hyphenated paragraph.

Title V. Task of the Commission—Advisory Committee for Public Construction Orders

Article 30

When examining disputes and problems which may arise through application of the measures which Member States have taken pursuant to the Directives on Elimination of Restrictions on the Freedom of Establishments and on the Free Exchange of Services in the area of public contracts, as well as for the Coordination of Procedures for the Placement of Public Works Contracts, the Commission of the European Economic Community will be assisted by an Advisory Committee. That Committee shall have, in particular, the duty:

(a) To prepare opinions for the Commission on individual cases which the Commission or one of the members of the Committee submitted to it in connection with the implementation of the directives as well as the application of the provisions concerning the placement of public works contracts by the public administrations and public law juridical persons of one Member State to the nationals and companies of the other Member States;

(b) To examine in connection with the application of these directives whether supplemental provisions or possibly amendments would be appropriate.

Article 31

The Member States shall be obliged upon request by the Chairman to supply to the Advisory Committee any information required to carry out its tasks.

Article 32

The members of the Committee shall be appointed by the Member States; each Member State shall supply one regular and one substitute member. The substitute member may attend meetings at any time.

The members of the Committee may ask for assistance from other officials in an expert capacity.

If the Committee considers it necessary when examining special cases, it may ask for assistance from additional persons.

The Commission shall bear the travel and lodging expenses of regular and substitute members.

The Member States shall bear the travel and lodging expenses for the experts and other persons whose advice has been sought.

Article 33

The chairmanship of the Advisory Committee shall be held by an official of the Commission of the European Economic Community.

The Chairman shall not participate in the voting. He may ask for assistance from technical advisers.

The secretarial duties of the Committee shall be performed by the services of the Commission.

Article 34

Notwithstanding Article 214 of the Treaty, the members of the Committee, the experts, the officials of the Commission and the technical advisers shall be bound by secrecy.

Article 35

Meetings of the Committee shall be called by the Chairman when he so desires, or upon motion by one of the Member States.

Article 36

The Committee shall have a quorum when two-thirds of the members are present. Each member or, respectively, his substitute, in his absence, shall have one vote.

The opinions of the Committee must be reasoned opinions; they shall be adopted with absolute majority of votes. Upon request of the minority, a memorandum containing the opinions held by the minority must be attached to the opinion.

Article 37

If necessary, the Committee shall adopt internal regulations.

Title VI. Final provisions

Article 38

The thresholds provided for in Article 3, paragraph 2, for application of the common provisions on publications during the two last sub-periods preceding the end of the transitional period may be amended within six months prior to their effectiveness.

The time-limits provided for in Articles 10, 11 and 12 may be amended beginning with July 1, 1965.

The provisions contained in Article 5, Item (j), and in the last paragraph of Article 28 will be amended at the end of the transitional period.

Article 39

For purposes of assimilating the national procedures to the provisions contained in this Directive, the Member States shall enact the necessary legal and administrative provisions within a period of six months after publication; they shall immediately advise the Commission of such measures.

Article 40

The Member States shall see to it that the Commission of the European Economic Community is informed of all drafts of legal and administrative provisions which they intend to enact in the area of procedures relating to the adjudication of public works contracts in the future.

Article 41

The text of the Annex shall be an integral part of this directive.

Article 42

This Directive is addressed to all Member States.

THE LATE EDWARD R. MURROW

Mr. RESNICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RESNICK. Mr. Speaker, All Americans will be deeply saddened, as I was, by the passing today at Pawling, N.Y., of Edward R. Murrow, a truly great American.

Mr. Speaker, my heartfelt condolences go to his wonderful wife, Janet, and their fine son, Casey.

Edward R. Murrow will be known in the pages of history, which he helped to write, as one of the greatest journalists of all time. He feared not to make the full truth known throughout his distinguished career.

Mr. Murrow reached the pinnacle of his profession and earned the respect and admiration of his peers. He was a dedicated public servant whose service to the U.S. Information Agency will be long remembered, and whose loss will be felt always.

THE LATE EDWARD R. MURROW

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, I would simply like to join the gentleman from New York [Mr. RESNICK] in paying tribute to the late Edward R. Murrow.

I am certainly shocked and saddened at his passing. I wish to join with the gentleman from New York [Mr. RESNICK] in extending my deepest sympathy to the family of this great American.

Edward R. Murrow will long be remembered by several generations of Americans. His courageous reporting from London during the height of the blitz represented one of journalism's finest hours. His television programs concerning national issues stand as solid testimony to his dedication to freedom. At the height of his illustrious career he chose to serve his country as the Director of the U.S. Information Agency. In this capacity he greatly contributed to the understanding of the United States, its life and its policies throughout the world. The career of Edward R. Murrow stands as an example of commitment to freedom through truth. We have lost a great man and can best honor him by dedicating ourselves to his values—truth and freedom.

JULIUS C. MICHAELSON—ST. PATRICK'S DAY ORATOR

The SPEAKER. Under previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 5 minutes.

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks, I include the Journal of the Senate of the State of Rhode Island for March 17, 1965, which contains an address delivered by my good friend, the Honorable Julius C. Michaelson, and the record of the seating of guests of the senate, at official commemoration exercises honoring the memory of St. Patrick.

Julius Michaelson, a senator from the city of Providence, is one of our most able attorneys. His vigorous and dynamic approach to civic problems has made his voice one to be reckoned with throughout our Rhode Island community. Though of a different religious persuasion than that of the great saint, his selection by the senate to deliver this speech is quite natural since it perfectly illustrates the brotherhood of man so well exemplified by the senator:

[Vol. 76, No. 38, Mar. 17, 1965, 38th day]

JOURNAL OF THE SENATE OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

(January session of the General Assembly begun and held at the statehouse in the city of Providence on Tuesday; the 5th day of January in the year of our Lord 1965.)

The Senate meets pursuant to adjournment and is called to order by His Honor, the President pro tempore, Francis P. Smith, at 1:14 o'clock p.m.

GUESTS

Upon suggestion of Senator Huntoon, and by unanimous consent, His Honor, the President pro tempore, Francis P. Smith, welcomes to the chamber the 8th grade class from the Josephine F. Wilber School, Little Compton, accompanied by Miss Katherine McMahon, Mrs. Frank Johnson and Mrs. Alfred Bodington.

Upon suggestion of Senator McBurney, and by unanimous consent, His Honor, the President pro tempore, welcomes to the chamber the 9th grade class from St. Teresa's School, Pawtucket, accompanied by Rev. Sister Mary Cyril, Rev. Sister Mary Damien and Mrs. Mannolini.

Upon suggestion of Senator Tiernan, and by unanimous consent, His Honor, the President pro tempore, welcomes to the chamber Rev. Paul McMahon from Sacred Heart Parish, Pawtucket.

Upon suggestion of Senator DeStefano, and by unanimous consent, His Honor, the President pro tempore, welcomes to the chamber Mrs. John I. Albro, wife of Senator Albro, on their 29th wedding anniversary.

Upon suggestion of Senator Costello, and by unanimous consent, His Honor, the President pro tempore, welcomes to the Chamber Mrs. Maurice W. Hendel, wife of the assistant in charge of law revision.

Upon suggestion of Senator Michaelson, and by unanimous consent, His Honor, the President pro tempore, welcomes to the chamber Mr. and Mrs. Michael Carroll from Ireland.

Upon suggestion of Senator Moran, and by unanimous consent, His Honor, the President pro tempore, welcomes to the chamber Mrs. Julius C. Michaelson, wife of the Senator from Providence.

Upon suggestion of Senator Michaelson, and by unanimous consent, His Honor, the President pro tempore, directs the deputy sheriff to escort Mr. Stewart Sherman, librarian of the Providence Public Library, to the rostrum.

Mr. Sherman addresses the Senate relative to Irish proclamations.

Upon suggestion of Senator Michaelson, and by unanimous consent, His Honor, the President pro tempore, welcomes to the chamber Cantor Ivan Perlman of Temple Emanuel of Providence, accompanied by Mrs. Louis B. Rubinstein of Providence.

His Honor, the President pro tempore, presents Senator Julius C. Michaelson, of Providence, who addresses the chamber on the subject, "Saint Patrick".

(See appendix for address.)

Senator Michaelson presents Canton Perlman who, accompanied by Mrs. Rubinstein, renders several songs appropriate to the occasion.

Upon motion of Senator Sgambato, seconded by Senator DeStefano, the senate adjourns at 2:11 o'clock p.m.

WALTER M. COSTELLO,
Reading Clerk.

APPENDIX

(Address by Senator Julius C. Michaelson)

ST. PATRICK

When His Honor, the Lieutenant Governor, advised the senate that I was going to be the St. Patrick's Day speaker, he suggested that the choice was ecumenical. Webster's Dictionary gives the word ecumenical this general definition, "Worldwide in extent or influence." Clearly this definition applies to the man Patrick, to his achievements and to his influence.

So great were his accomplishments, so universal his influence, that through the centuries nations have disputed as claimants to his place of birth or his father's nationality.

President Kennedy once remarked that a nation is judged by the men it honors.

In claiming credit for St. Patrick's birthplace or his father's citizenship, France, Britain, Scotland, Wales, and Italy all attest to his greatness, and perhaps to their own.

Ireland itself makes no claim to his nativity. The Emerald Isle is content to be the country of his choice.

His father Calpurnius, was a Roman citizen, and served for a time as a municipal senator. And as we all know in this chamber—with a father for a senator it is not at all unusual that the son should be a Saint.

St. Patrick's life contains great political lessons as well as spiritual lessons.

In his time, the seat of power was with the Kings and the source of power was land. There were three important classes. The property owner, the professional man, and the craftsman. They all could vote and had an equal voice in the assemblies. But the property owners had the most political power, and the King was the largest property owner.

St. Patrick never made the mistake of appealing to the people over the heads of the Kings. He knew it was fruitless. Churches cannot be built on air. Patrick coaxed land from the Kings, who had most of it, to build his churches.

Patrick was a man of peace, living in many communities dedicated to war. And it was the King who protected him.

And when it was time to bring the laws of man and the laws of God into conformity, it was the King to whom Patrick must turn.

Patrick's success in Ireland was a great political achievement as well as a spiritual accomplishment.

Perhaps the greatest monument left by St. Patrick was the organization of education in Ireland. He and his disciples founded schools throughout Ireland and here also are lessons valid today.

The Irish were not exclusive in offering educational opportunities. All classes were free to take advantage of them. This was true even for women. Bridget had Patrick's sympathy and help in establishing an institution of learning for women. It is astounding for us to realize that more than 1,500 years ago in Ireland, a woman organized education for women.

The Irish schools explored the meaning of life. How to live or learning to make a living did not concern them. Vocational education

had no proponents. There are many who to this day feel that the curriculum of modern universities does less to develop the power of the mind to think than did the Irish universities of old.

Such is the legacy of St. Patrick. Today, his anniversary is universally celebrated.

In Ireland the celebration is not as extensive as in the United States. However, my friend, Mr. Carrol, of Tipperary, tells me that it is a day on which the drinking rules are relaxed.

Mr. Carrol also told me something very interesting about the shamrock. He said it dies when it is transplanted and will not prosper in any other soil.

If this is correct, then clearly the shamrock is an unusual Irish product. Indeed, if there is one trait which distinguishes the Irish, it is the ability to turn adversity to advantage.

Let me give you a graphic example. In the year 1848, Irish disorders rocked the Emerald Isle. Nine young men stood before an English judge. They had been tried and convicted of treason against her majesty the Queen and were about to be sentenced. These are their names: John Mitchell, Thomas McGee, Richard O'Gorman, Morris Lyene, Charles Duffy, Terrance McManus, Patrick Donhue, Thomas Meagher and Michael Ireland. The judge asked them what they had to say in their own defense before sentence was pronounced. Meagher spoke for all. These were his words: "My Lord, this is our first offense but not our last. If you will be easy with us this once, we promise, on our word as gentlemen, to try to do better next time. And next time—sure, we won't be fools enough to get caught."

Thereupon, the indignant judge sentenced them to be hanged by the neck until dead, and then drawn and quartered through the streets. Protests from all over the world forced the hand of Queen Victoria. She commuted the penalty to deportation for life to far-away, still primitive Australia.

In 1874, word reached the astounded Queen Victoria that the celebrated Sir Charles Duffy, who had just been elected Prime Minister of Australia, was the same Charles Duffy who had been deported some 25 years before.

At the Queen's order, the records of the rest of the defendants convicted for treason against the Crown at this same trial were searched out. Here is what was uncovered:

Thomas Meagher, Governor of Montana; Terrance McManus, brigadier general, U.S. Army; Richard O'Gorman, Governor General of Newfoundland; Morris Lyene, Attorney General of Australia, in which office Michael Ireland succeeded him; Thomas D'Arcy McGee, Member of Parliament, Montreal, Minister of Agriculture and President of Council, Dominion of Canada; and John Mitchell, distinguished New York political leader and father of New York Mayor John Purroy Mitchell.

The ability of the Irish to overcome the severest obstacles was especially manifest in the United States. When the Irish came here, they encountered hostility sufficient to paralyze the spirit of a lesser people. They suffered every indignity. They were scorned and mocked. Their religion was ridiculed. They suffered every kind of discrimination which exists. Few doors were opened to them—many were slammed in their faces and yet they prospered and produced a John F. Kennedy.

George Potter, in his book "To the Golden Door" writes: "The Irish on the Maria Eliza, from Cork to St. John, caught in an ice floe and carried to Greenland, received a more hospitable welcome from the Eskimos than the Irish who came to Boston received from the Yankees. The Catholic Irish could not have settled in any section of the United States less inviting to their prospects."

In 1834, in what was then Charlestown and is now Somerville, Mass., the distrust, the ignorance, the suspicion, the fear and the hatred against the Irish and against their faith, resulted in a shameful outrage.

A convent in which were both grown women and children was deliberately burned to the ground on the night of August 11th.

At dawn, the once imposing convent building and its companion buildings were reduced to ashes and smouldering ruins.

The fire department, the police department, and some politicians of that day were all involved. Some encouraged the outrage; some participated; some remained silent.

The men of Engine Co. No. 13 of Boston, who arrived at the scene to help extinguish the blaze, removed their badges and helped to spread the fire and ransacked the buildings.

Selma, Ala., of today and Boston, Mass., of a century ago are not very different. But the Irish determined to overcome—and overcome they did.

"Get naturalized" their leaders and the church advised "and educate your children." Through naturalization would come voting rights and political power. Those who sneer today will come hat in hand looking for your help. And then came the voting registration drives.

The rest is happy history. The same history is being rewritten in other parts of this land today.

In Rhode Island, the election qualifications were rigged. The foreigners were no trouble, they were simply disenfranchised by the property qualifications of the landholders constitution of 1842.

In 1841, Thomas Dorr, a Providence lawyer, led a popular uprising, the Dorr war, against the oligarchy of the day. He formed a rump government. Eventually, he was forced to flee the State upon the suppression of the rebellion. He later returned to Rhode Island in 1843 and was committed to jail to stand trial for high treason.

The Supreme Court calendar listed his trial after the trial of John and William Gordon for murder.

The Gordons were charged with the murder of Amasa Sprague, who was the brother of U.S. Senator William Sprague.

Sprague was one of the wealthiest men in the State. He was in the inner circle of the ruling powers in Rhode Island. The accused were despised Irish Catholic emigrants.

Nicholas Gordon had a small variety store in Cranston. He obtained a liquor license from the Cranston Town Council and his business flourished.

In July of 1843, he had saved enough money to bring from Ireland his aged mother, his sister, his three brothers, William, John, and Robert, and a 7-year-old niece.

Squire Amasa Sprague, however, had spoiled his joy of bringing his family to this country because the squire had brought about the removal of his liquor license in June 1843. The liquor counter of his store was interfering with the productivity of the factory.

On December 31, 1843, Squire Sprague was found dead on the path from Cranston to Johnston. No money was taken from his pockets. Robbery was not the motive. Suspicion immediately centered on the Gordons. Since Nicholas Gordon was in Providence at the time of the crime he was indicted as an accessory. The indictment suggested that Nicholas had instigated his two brothers to commit murder in revenge.

Anti-Catholic Irish prejudices ran high. Lurid, biased newspaper reports convicted the Gordons even before they stood trial. The newspapers reported a red-stained shirt found in the Gordon house reeked with the gore of Amasa Sprague's innocent blood. The blood later turned out to be dye from the factory.

The Gordons' chief lawyer was Gen. Thomas F. Carpenter, a man of great esteem at the bar who refused to be paid for his services. He was a Dorrite and, even more provocatively, was a convert to Catholicism.

Chief Justice Durfee, with his three associates, sat on the case. The transcript shows judicial partisanship and distaste for the accused and their counsel.

Listen to the argument of Attorney General Blake talking about Nicholas Gordon: "He had two brothers, who had come over from Ireland last summer at his invitation and expense. They probably came with the idea which is common to many of their countrymen, that the laws here, in this free country, are less severe, and may be more easily evaded than the laws of their own country."

He then pointed out to the jury that the Irish have strong attachments to the head of the family and take pleasure in fulfilling his wishes and advancing his plans.

This was a presentation of a conspiracy which had not yet been proved.

Chief Justice Durfee in his charge drew a distinction between the testimony by the native born witnesses and of the "countrymen of William Gordon." In 1 hour and 15 minutes the jury returned a verdict of guilty against John Gordon.

After the trial, William Gordon, who had been acquitted, presented to the authorities the gun and the pistol which he said in an affidavit he had hidden in his house on hearing of Sprague's murder because in Ireland, possession of a weapon was a penal offense and being new to the United States he was afraid that there was such a law here. This new evidence challenged the basic points of the State's circumstantial case that the ownership of the broken gun found at the scene belonged to Nicholas and he gave it to his brother. Nothing came of this, however.

The Governor could not intervene because he did not have power to commute the sentence. The friends of John Gordon petitioned the general assembly for a reprieve. By a vote of 36 to 27, the petition was rejected.

John Gordon was hanged at the State prison in 1845.

The funeral, held on a Sunday afternoon, February 16, took 30 minutes to pass a given point. Six men abreast, almost 2,000 marchers gathered from Rhode Island, Massachussetts, and Connecticut to protest the injustice. The funeral would have been larger, but some employers ordered their employees not to take part.

The hanging of John Gordon disturbed the conscience of Rhode Island, and it became the cause which finally brought about the abolition of capital punishment in 1852.

A fair trial could not be had, and a man was hanged.

Today, other Americans stand before unfriendly judges and cry out "We shall overcome."

The Irish made great contributions in America because they were not spectators—they participated always in American life. They took part with determination. They were never on the sidelines. They insisted on helping to fashion a great nation.

There are many Irish societies in this country. They have a long and honorable history dating back to the Revolutionary times. Their members include signers of the Declaration of Independence as well as Presidents of the United States. The contributions of these societies and of their members are in every sense of the word immeasurable. There is one organization, however, which particularly intrigued me. It is called the Sons of Irish Kings. I did some investigating about it. I was especially interested because Senator Moran told me he was a member and I was very much impressed with his royal lineage. Well, I discovered that every Irishman is a son of an Irish King. Indeed, on this day, and perhaps on every other day, every Irishman is a King.

And now, I leave you all with this Irish wish:

May the road rise to meet you
May the wind be ever at your back
May the Good Lord ever keep you in the hollow of His hand
May your heart be as warm as your hearthstone
And when you come to die may the wail of the poor be the only sorrow you'll leave behind.
May God bless you always.

EARLIER DICKINSON CHARGES ARE REFUTED

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BATES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BATES. Mr. Speaker, on March 30 the gentleman from Alabama made other remarks concerning the march from Selma to Montgomery. Among the citizens from my congressional district in Massachusetts who participated in that march was the Reverend F. Goldthwaite Sherrill, rector of the Ascension Memorial Episcopal Church, Ipswich. He was so disturbed by those March 30 remarks that he was moved to refute some of them in a letter which I received from him only today.

The Reverend Mr. Sherrill was 1 of 22 white citizens chosen to join the Negroes on the full 50 miles of that historic civil rights march. I wish, therefore, Mr. Speaker, to include with my remarks at this point the letter he sent to me. It reads as follows:

DEAR CONGRESSMAN BATES: I understand that in the near future there is to be some amplification of the remarks of March 30, 1965, by Congressman DICKINSON, of Alabama

I wish to refute the statements made at that time and to record my own observations. I felt that the conduct of the marchers was exemplary and worthy of praise under conditions of constant scrutiny by the press and of constant abusive harassment from some onlookers.

I arrived in Selma on Friday, March 19, spending 2 nights there. I then participated in the entire march from Selma to Montgomery returning to Selma the night of Thursday, March 25. I left Selma for Birmingham for the night of March 26, returning to Massachusetts the evening of March 27.

At no time did I see or hear of any such circular as described in the remarks of Mr. DICKINSON, of Alabama, in the CONGRESSIONAL RECORD of March 30. I saw no such behavior as was described in his later remarks. At no time was I called upon to approve or condone such behavior in the event that such might occur.

The only suggestions which I heard of such behavior came from comments of some white citizens who lined the route of march. The remarks of these people to their neighbors and to clergymen and religious citizens of all faiths were extremely vulgar and unworthy of any community in the Nation under any circumstances. It is their echo which I recognize in the remarks of Congressman DICKINSON.

The statement: "This is a bunch of godless riff-raff out for kicks and self-gratification that have left every campsite between Selma and Montgomery littered with whisky bottles, beer cans, and contraceptives" is absolutely false and without any foundation in fact whatsoever. I would hope that Mr. DICKINSON would apologize for having been ill informed and will have his remarks retracted.

I enclose also an article from the Ipswich Chronicle which may explain my reasons for going to Selma in the first place.

If there is anything you can do to balance the record, I would appreciate it greatly.

Sincerely yours,

Rev. F. G. SHERRILL,
Rector, Ascension Memorial Church.

Mr. Speaker, the Ipswich Chronicle article to which the Reverend Mr. Sherrill refers was published on April 1, 1965. It reads as follows:

WHY GO TO SELMA?

(By Rev. F. Goldthwaite Sherrill)

(Ipswich Rector F. Goldthwaite Sherrill traveled to Alabama 2 weeks ago and was 1 of 22 white citizens chosen to march the full 50 miles in the Selma to Montgomery civil rights march.)

Despite all that has been written and spoken in the last few weeks, the first question asked by many in regard to the events in Alabama is, "Why go to Selma?" Or more pointedly, "Why interfere in the affairs of another region?"

The answer is first of all in the fact that an anguished cry for help came from Selma.

Those who came from other regions were asked to come by residents of Selma—by a number approaching half the population—who were under persecution. They were asked by people denied the indisputable rights to life and liberty. The Negroes of Dallas, Lowndes, and Montgomery Counties, Ala., issued this appeal because they were being brutalized by a police state, one which has intimidated the white moderate as much as the Negro.

NOT A REGIONAL MATTER

The second reason for going is that this is not just a regional matter. We live in one country with a single Constitution.

Last week Selma was the place where the threat to the basic law of the Constitution was most clearly evident, where the battle for human rights was most clearly stated and drawn.

During World War II, soldiers went all over the world not, we trust, to interfere in the internal affairs of other nations but to defend the principle of liberty for all people everywhere.

This is true of the battle for human dignity and human rights. It must be fought in Boston and Birmingham whenever the opportunity arises. It is necessary at all times and in all places to bear witness to the traditional position of the Constitution of the United States in regard to the rights of all men and to the Judeo-Christian proclamation that all men are the children of God.

To go from Ipswich to Selma or anywhere is to bear witness especially in Ipswich where one's own reputation and character are on the line, to the essential faith in the dignity and equality before God of all men everywhere.

SILENCE, THE ALTERNATIVE

The third reason for going to Selma is that the alternatives are keeping silence and doing nothing. The consequences of silence in the struggle for humanity is forever eloquently enshrined in the unspeakable furnaces of Dachau, Buchenwald, and the other memorials to human torture throughout history.

When, during the march, we arrived at the point where it was necessary to cut the number participating to 300 to comply with the order of the Federal court, it was difficult to decide who would not go. Hundreds more than the law allowed wanted to participate.

A white woman suggested that all the whites agree to drop out, giving the privilege of going the whole way to those who most deserved it.

The Reverend Andrew Young, spokesman for the Negro leadership of the march, answered as follows: "There are two reasons why some white people must be included. First, they are our protection. The State troopers and the National Guard did not come when Negroes were protesting alone. They came after the death of a white minister. Second, white marchers must be included because the Negro believes in integration. The leaders of this movement particularly believe in the need for black and white together solving and meeting the denial of freedom which afflicts black and white together."

WHY MARCH?

Another question I have heard frequently is "Why march?"

Isn't the place to fight this battle in the courts and the legislature, not the streets?

The answer, I believe, is that it must unfortunately be fought in all three. The individual Negro, even if the Congress and the Court insure the right to vote, still has to fight many other possible sanctions before he can apply that right. Alone he is threatened with loss of job and other more serious threats the minute he moves toward the courthouse to register. The marches have produced the great movement of numbers of Negroes together—for the first time giving a whole body of men the courage and the solidarity to resist intimidation and tyranny effectively and consistently.

NATIONAL REVOLUTION

The revolution going on in Alabama is a part of the revolution going on all over the Nation for a just share in both the Government and the economy. It is basically the same revolution encouraged by the Reverend John Wise in 1687. His phrase "taxation without representation" was often heard in Montgomery last week.

On the part of the Negro, this is a nonviolent revolution in contrast to another 190 years ago in 1775 to which Ipswich sent freedom fighters. The descendants of the Negroes of modern Selma 190 years from now will have as much occasion to be proud, I am confident, as the descendants of the battles of Lexington and Concord.

What do the whites of Alabama think? It has been amply recorded what the extreme segregationist thinks. It is important to note that they are not the only ones, though they have had the most power until now. The attorney general of Alabama has held the Governor responsible for the climate of tragedy and violence. Federal Judge Johnson, another native Alamabian has held in allowing the march that the Negroes were due this unusual opportunity to demonstrate their grievances because of their enormity. I myself talked to a number of white moderates in Alabama (as intimidated by the Klan types as the Negroes) who thanked me for marching: "You were marching for us as well," they said.

The church's role has been difficult, especially in Alabama as has been reported. The church not only in Alabama but in many places has failed to lead. Some Alabama clergy when confronted inescapably with the present crisis have risen to the occasion. Our prayers should be with men like the Rev. T. Frank Matthews, of St. Paul's Church in Selma, who integrated his church last Sunday. He is called upon to establish more than token integration on a single Sunday. He must work out a lasting reconciliation between Selma Negroes and the former defenders of the status quo—as between equals. His parish will be the richer for it, I know, from having been with the Selma Negroes

on our journey. This is a lesson for Ipswich as well. Any community would be the richer for having within its fellowship the variety and spiritual depth and humor which members of that race could contribute to the whole.

SETTING THE HISTORICAL RECORD STRAIGHT ON THE CAPTURE OF BERLIN

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CURTIS. Mr. Speaker, on February 4, 1965, I encountered an article by Drew Pearson entitled "Winnie Blamed Ike for Change in Strategy Regarding Berlin."

Considering the source of the article, its message is hardly surprising, because over the years Pearson's references to General Eisenhower have been continually scurrilous and, as is well known, his writings are chronically inaccurate.

Now comes Pearson's latest attempt to do injury to Eisenhower. In the CONGRESSIONAL RECORD of January 28, Senator ROBERTSON, of Virginia, flatly challenged Pearson's first report, stating that General Eisenhower told him personally in the summer of 1947 that "the decision to let the Russians take Berlin was made by President Roosevelt, who, of course, was his Commander in Chief." Pearson responded that it is Sir Winston Churchill who holds General Eisenhower accountable for the loss of Berlin to the Russians.

I have taken this matter up with General Eisenhower and now report the following information, directly from him:

Facts concerning the final phases of the war in Europe are essentially as follows:

(a) The mission of the Allied forces was specified, not as the capture of localities, but the destruction of Hitler's armed forces.

(b) The postwar division of Germany into sectors for occupation was finally decided upon and approved by heads of government in January 1945. No matter what German areas might be captured, each nation was required, under the political agreement, to retire within the lines prescribed long before the end of the war by Generalissimo Stalin, President Roosevelt, and Prime Minister Churchill.

(c) When our final operational plans were drawn up, approved and issued to subordinate commanders—Bradley, Montgomery, and Devers—sometime in March of 1945, the Western Allies were standing on the Rhine River some 250 miles from Berlin while the Russian front was 30 miles from Berlin and its spearheads already west of the Oder River. Under these circumstances our plans made no mention of Berlin. They were designed to accomplish the final and complete destruction of Hitler's forces and at the least cost in Allied lives.

(d) My own headquarters had reported to our governmental superiors in January that our advance in Germany would penetrate far deeper than the line, Lubeck-Eisenach-Linz (which the political leaders had agreed upon as the eastern boundary for occupation by the Western Allies; Berlin was deep in the Russian zone). Nevertheless, they decided that no change should be made in these boundaries.

(e) American forces, in the final stages of the war, reached Leipzig and after cessation of hostilities we had to retreat 125 miles to get within the boundaries fixed by the Allied political leaders. During the Allied advance between the Rhine and the Elbe, which was so swift as to surprise all the Allied governments, Mr. Churchill did suddenly suggest the great political value of capturing Berlin. However, the ground forces that were accomplishing destruction of Hitler's armies were already in motion with prescribed objectives and purposes. To have changed them materially during such a movement would have been difficult and, in my opinion, absolutely unnecessary and unwise. It is not correct to say that Mr. Roosevelt refused me permission to take Berlin, but he was party to the decision to place Berlin well outside the Western Allies' sectors of occupation.

The above is an outline of facts as they occurred.

Considering the above report by General Eisenhower I think it is high time that Pearson's longtime wails over Eisenhower's role respecting Berlin be terminated. The General's report makes it clear that, regardless of what might have happened in regard to the capture of Berlin, the postwar division of Germany agreed to by Generalissimo Stalin, President Roosevelt, and Prime Minister Churchill would have controlled the ultimate situation. Hence, it was academic whether or not U.S. troops seized Berlin.

I am delighted to have this opportunity to help keep the historical records straight on this long-festering issue.

CUSTOMS BUREAU HEADQUARTERS IN PHILADELPHIA

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHWEIKER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SCHWEIKER. Mr. Speaker, I am today introducing legislation to establish a Customs Bureau regional headquarters in Philadelphia.

A reorganization plan recently proposed by President Johnson would place Customs Bureau services in the Philadelphia port under the jurisdiction of a regional office in Boston.

Philadelphia now has its own customs district, third largest in the Nation in receipts and largest in foreign waterborne tonnage. The President's reorganization proposal would create six customs regions and would make Philadelphia customs operations subsidiary to the proposed regional office in Boston.

The Schweiker bill would create five customs regions instead of six, with Philadelphia as headquarters for the North Atlantic region stretching from Portland, Maine, to Norfolk, Va., but excluding New York.

I view with great concern the President's intention to subordinate Philadelphia Customs Bureau services to a regional office in Boston. It is well known that the port with the best customs services has an advantage in intense competition for import business. Philadelphia cannot afford the slight of having its customs services handled from afar.

The six regions proposed by the administration show a wide imbalance in customs receipts with collections in one proposed region being almost twice those in another.

The five-region plan contained in my bill would save the administrative costs of one regional headquarters, would create better balanced regions in terms of customs receipts collected, and would better serve the port of Philadelphia.

One region would include the entire Boston-to-Washington megalopolis and transportation corridor, with the exception of New York, and would include the North Atlantic ports under one regional administration.

Philadelphia, almost equidistant between the Norfolk district and the Boston district, would be a natural regional headquarters. It is the largest customs district within that region.

Mr. Speaker, because of my deep concern with this matter, I recently testified before the Subcommittee on Executive and Legislative Reorganization of the Committee on Government Operations. I am including at this point a copy of my testimony:

TESTIMONY OF REPRESENTATIVE RICHARD S. SCHWEIKER BEFORE SUBCOMMITTEE ON EXECUTIVE LEGISLATIVE REORGANIZATION, HOUSE COMMITTEE ON GOVERNMENT OPERATIONS, APRIL 13, 1965

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to testify briefly regarding the President's reorganization plan for the Bureau of Customs. I support enthusiastically the major thrust of this plan which places the Customs Bureau on career basis and eliminates positions currently filled by Presidential appointment.

But I view with great concern the President's intention to subordinate Philadelphia Customs Bureau services to a regional office in Boston. The President has proposed reorganization of 113 independent customs field offices into six regions—New York, Boston, Miami, New Orleans, San Francisco and Chicago. The Philadelphia customs district would be made part of the Boston region. The survey group evaluation report, upon which the proposed reorganization is largely based, also recommends abolishing the customs laboratory at Philadelphia (10 employees) and transferring the Philadelphia comptroller's office (12 employees) to Boston regional headquarters.

Philadelphia is the Nation's largest seaport in terms of foreign waterborne tonnage, handling more than 50 million tons annually, and Philadelphia is the Nation's third largest customs district in terms of receipts, the largest in the East excluding New York. For fiscal year 1964 customs receipts (excluding internal revenue taxes collected on liquors) were: New York, $570.1 million; Los Angeles, $90.7 million; Philadelphia, $73 million; Boston, $61.1 million, and San Francisco, $48.3 million.

It is well known that the port with the best customs services has an advantage in the intense competition for import business. Philadelphia's port cannot afford the slight of having its customs services handled from afar. For example, the importer whose goods must be examined by a customs laboratory will naturally favor a port which contains laboratory facilities rather than a port which would present delay because samples would have to be shipped away for analysis. In

fiscal year 1963, the Philadelphia customs laboratory examined an average of 882 samples each month, almost 8 percent of the national total.

I would suggest to the subcommittee that there is a better way to implement the administration's reorganization plan—a way which would not adversely affect Philadelphia and which at the same time would better and more economically serve the Nation.

The six regions proposed by the administration show a wide imbalance in terms of customs receipts. New York must, of course, stand alone since its $570 million in duties accounts for nearly 47 percent of the national total. Beyond this, however, a great variance is evident between the collections of $91.3 million in region 4 and those of $187.6 million, almost twice as much, in region 5. (Collections in the remaining proposed regions: Region 1, $171.2 million; region 3, $115.3 million; region 6, $148.5 million.)

I propose today a plan of implementation under which the Nation's customs services are divided into five regions, rather than the six sought by the administration. Such a plan would save the administrative costs of one regional headquarters structure. Further, it would create better balanced regions in terms of customs receipts collected. In addition, and I am frank to admit this, it would better serve the port of Philadelphia. But by better serving the port of Philadelphia, the plan would better serve the Nation.

Under the region regrouping which I propose, Baltimore and Norfolk would be added to region 1. The proposed region 3 would be eliminated, and the balance of its districts—Charleston, Florida, and San Juan—would be added to the New Orleans region. Under the five-region plan which I am proposing, the customs receipts of each region—a fair measure of workload—would be far better balanced than under the administration's six-region plan. For example, the smallest region in receipts would be region 5 with $148.5 million and the largest, excluding New York, would be region 1 with $228.7 million in receipts.

Region 1 as I have proposed it would extend 600 miles from Portland, Maine, to Norfolk, Va. It would include the entire Boston-to-Washington megalopolis and transportation corridor, with the exception of New York. It would include the North Atlantic ports under one regional administration. Philadelphia, almost equidistant between the Norfolk district (214 miles) and the Boston district (279 miles), would be the natural regional headquarters. It is the largest customs district within that region.

I urge the subcommittee to recommend this five-region plan to the executive.

SOIL CONSERVATION ACT

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. SHRIVER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SHRIVER. Mr. Speaker, today we mark the 30th anniversary of the adoption by Congress of a national program of soil and water conservation. It was on April 27, 1935, that the 74th Congress enacted Public Law 46, the original Soil Conservation Act, without a dissenting vote.

Two years after this law was passed, the Federal Government entered into partnership with soil conservation districts created under State laws. Kansas was one of the first States to have soil conservation districts organized in each of its counties.

About 10 days ago the Secretary of Agriculture wrote a letter to me in which he praised the outstanding contributions which soil conservation districts in Kansas have made. His letter stated in part:

> They [soil conservation districts] have proved that local talent and initiative combined with assistance from State, Federal, and local agencies and groups can get the conservation job done.

I certainly am fully aware of the fine work carried out through soil conservation and watershed districts in my State and by those in other States throughout the Nation. I am convinced there is no better vehicle through which Federal, State, and local governments may achieve resource development goals so vital to this country.

It is ironic, however, that at a time when we are hearing so much from administration leaders, including the President, about conservation, beautification, and development of our natural resources, the President's 1966 budget provides for a cut of $100 million in the agricultural conservation program and a cut of $20 million in soil conservation funds.

I am sincerely interested in economy and I want to see unnecessary Federal spending reduced wherever possible. But I do not want to be responsible for setting soil and water conservation in this country back many, many years.

There is great inconsistency in the administration's actions in regard to soil conservation and agricultural conservation programs.

It was not too many weeks ago that the administration insisted upon, and its spokesmen in the House upheld section 203 of the Appalachian Regional Development Act. This section provides an authorization of $17 million as a starter for a special land use and conservation program for farmers and landowners in Appalachia. At the time we debated this measure, I opposed it because it was discriminatory and it duplicates programs already in existence in the Department of Agriculture.

We have Federal programs which pay farmers to do nothing with their land. Why does the administration want to penalize farmers who are willing to share the costs of improving their land?

Soil and water conservation programs are investments which will provide dividends in the future to all citizens whether they reside on the farm, the suburbs, or in metropolitan areas. In Kansas we have seen the progress which has been made in the continuing battle against drought and floods, dust, and soil erosion.

The Kansas Legislature which adjourned a few days ago recognized its responsibility in soil and water conservation by doubling prior appropriations to soil conservation districts and appropriating $120,000 for watershed planning. County governments also are providing over $187,000 from their general funds to soil conservation districts on a matching basis with the State.

We cannot afford to neglect these programs which help preserve and develop our most precious resources—soil and water. I will support full restoration of funds to the agricultural conservation program and $20 million for soil conservation services.

The Federal Goverment must continue to fulfill its responsibility in those programs which were so wisely inaugurated 30 years ago.

HORTON BILL TO STOP MAIL-ORDER HANDGUN TRAFFIC

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HORTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HORTON. Mr. Speaker, I have introduced legislation today to control the terrifying traffic in mail-order handguns. By amending the Federal Firearms Act, I am aiming this proposal specifically at keeping concealable weapons out of the hands of irresponsible and criminal persons.

Before discussing details of the bill I am sponsoring, I wish to make clear to my colleagues and constituents that this is a moderate measure and takes into full account the rights all Americans are guaranteed by the second amendment to the Constitution. That historical and honored condition of our democracy, namely, that the people have the "right to keep and bear arms" must not be trampled by any misguided belief that social ills can be cured by treating consequences rather than causes.

Yet—and most reasonable citizens accept the limitation—where a right is exercised without the responsibility it requires, those who abuse it should not be subject to its protection. Such, I believe, is the current case concerning the ease with which anyone can obtain a deadly weapon.

The dimensions of the mail-order gun business are considerable. Estimates gleaned from congressional hearings are that some 1 million weapons a year now are being ordered by mail and delivered by some form of common carrier. This is known as the mail-order common carrier route and it is the channel of commerce my legislation is designed to blockade.

From my service on the District of Columbia Committee and from reviewing the results of investigations in other major metropolitan areas of the Nation, I am aware that a major source of handguns for juveniles, felons, narcotic addicts, mental defectives, and others unable to bear their moral responsibility is this kind of mail-order operation. Police officials figure about 25 percent of the mail-order guns go to recipients with criminal records and they can describe countless incidents in which persons so armed have added to the overall crime rate of our cities.

In an attempt to attack this problem soundly and sensibly, I believe legislation along the following lines should be enacted:

Manufacturers, dealers, and common carriers should be prohibited from mailing or delivering in interstate commerce a concealable hand weapon to any individual under the age of 18 or to any individual convicted of a crime punishable for a period of more than 1 year.

Additionally—and it also is part of the proposal I am offering today—the individual recipient of a handgun should be required to provide the dealer or manufacturer with a sworn statement of his age and absence of felony criminal record. This affidavit also would name the principal local law enforcement officer in the purchaser's community. Then, before the gun could be shipped or sold, the manufacturer or dealer would furnish a description of the weapon to the police official. However, the description required would not include the gun's serial number.

New Federal license fees also are in the bill I am introducing. For a manufacturer, they would be increased from $25 to $50, for a dealer from $1 to $10, and an annual license fee for a pawnbroker of $50 is set by this legislative proposal.

Mr. Speaker, I believe it is essential that all serious students of firearms legislation be aware of the distinctive differences between the various bills now pending before Congress. Many are far more restrictive than the one I offer today. In some cases, these bills would prevent any shipment of firearms between individuals in the several States. They would embrace all firearms, including rifles and sporting shotguns. Frankly, I cannot agree with the arguments advanced for these strict and stringent bills. They would appear to accomplish only abuse of millions of law-abiding citizens who derive many hours of wholesome pleasure in their pursuit of a hobby or outdoor sport.

Therefore, I have introduced a bill that is endorsed by the National Rifle Association and others interested in placing reasonable controls on the mail-order handgun business without violating our country's constitutional protection.

WALTER F. CAREY, RETIRING PRESIDENT OF THE CHAMBER OF COMMERCE OF THE UNITED STATES

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, I have been blessed with the good fortune of representing a most remarkable congressional district filled with the most remarkable and able men and women since first coming to Congress more than 8 years ago.

One of the most talented of my constituents is Mr. Walter F. Carey, who has just stepped down as president of the Chamber of Commerce of the United States.

Last night in his final speech as head of the National Chamber of Commerce, Mr. Carey addressed the Michigan State dinner at the Washington Hilton.

In his words to us, Mr. Carey spoke some truths which are too often misunderstood or misrepresented.

What he pointed out to us was the need for cooperation and understanding between business and Government.

He spoke of the need for moderation, rather than extremes by either Government or business, in solving the problems of our Nation, our people and our economy.

Mr. Carey spoke mainly to businessmen. But his words have profound meaning for those of us in Government as well.

They are a lesson for business and Government to live by in their dealings with each other.

The following are a portion of Mr. Carey's remarks:

My own experience in the last year has done nothing to diminish either my enthusiasm or my belief in the need for greater understanding between the leaders of business and the leaders of government.

No one man, whether he be the president of the chamber of commerce or the President of the United States, can achieve the kind of business-government understanding and cooperation which I believe to be necessary for the preservation of our institutions and the continued strength and growth of this wonderful country.

It can thrive only when rooted deeply in the conviction of the many, both in business and in government. It can be nurtured only by conscious and active effort on the part of the many.

The curtain of mistrust and suspicion must be torn away.

There are some in our ranks who like to say, "America is a nation of businessmen." We should stop deluding ourselves with such cliches.

True, business has every right to be proud of the tremendous contribution it has made and is making to the general welfare of this Nation, and I share that pride.

We are a tremendously important part of the American society, but we are just a part of it. If we will remember this obvious fact, we will better comprehend the attitudes and the problems of the men in government, and such comprehension must be the bedrock foundation of greater cooperation and understanding.

I grant you that in the ranks of government are a few demagogs whose careers are founded almost entirely upon a calculated contempt for the business community of America.

But they are a small minority and exist only by the grace of another minority in our own business ranks who have displayed nothing but contempt for the Government of America.

There is no room for either of these minorities, and they could not survive in the kind of America I know we can have once we achieve a true and trusting government-business partnership.

I am among those who believe that the greatness thus far achieved by this country has been due, in large measure, to the high ideals and sound principles by which its course has been guided.

Each of these ideals and principles, standing alone, is almost impregnable in its virtue. But none of them really does stand alone, and most of the difficulties which erupt on the American scene, can be traced to overadherence to certain of these ideals and principles with minimum, if any, consideration for other equally valid ideals and principles.

This latter observation, I believe cuts across the entire spectrum of American life, but here is just one simple and current illustration of the point I am trying to convey.

We all believe in freedom of the press. We all believe in a fair trial for an accused. Yet, some of the best brains in the country are searching for a way to reconcile these two cornerstones of the Constitution, and to prevent the one from destroying the other.

Again, and getting a little closer to home, we all stand foursquare for what we call the free enterprise system. Still, we endorse the antitrust laws and other controls which clearly curb the free enterprise system.

The reason is simple. Most of us have got sense enough to know that a pure and unfettered free enterprise system, carried to its end, would trample upon other ideals and principles which we also hold dear—and in the end would destroy itself.

In other words, the success of our system and our country has been due to the fact that sooner or later we usually find a way to accommodate each of our ideals and principles with the other ideals and principles.

The burden of arriving at such accommodation bears heavily upon the people in government, particularly upon those holding elective office, and most heavily of all upon the President—any President.

Interest groups of all types and descriptions are inclined to seize upon those ideals and principles which best suit their purpose, and ignore the others.

There seems to be a widespread concept that the best way to obtain a favorable compromise is to take an extreme and uncompromising position.

I challenge the validity of this concept. I believe the United States has progressed in spite of it, and certainly not because of it. I believe there is a better way—a way that holds far greater promise for a far better future, for our children and our grandchildren.

So I go out as I came in—pleading for moderation, for cooperation, and for understanding.

It all boils down to this simple proposition.

If those of us in business feel we need the understanding of those in government for the many problems we face in our attempts to grow, create jobs, and raise the living standards of our people, then those in government clearly are entitled to our greater understanding of their role in solving the great social issues of our time.

I leave you with that thought, and my sincere appreciation for the wonderful support you have given me in a year that shall always live in my memory.

GOOD AND BAD SAMARITANS

Mr. BROYHILL of North Carolina. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. LAIRD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LAIRD. Mr. Speaker, a major contribution on a critical question in American life was made recently. The contribution, a joint venture between a major private company, Sentry Insur-

ance of Stevens Point, Wis., and the University of Chicago Law School, deserves continued public attention.

Sentry Insurance and the law school jointly sponsored a 1-day symposium designed to study the "Good Samaritan and the Bad." The topic related to the alarming number of incidents being reported in the press involving people failing to act in behalf of others in emergency situations. Perhaps the most famous of these cases was the Kitty Genovese case in New York but there have been many other similar incidents around the Nation.

The insurance firm had the idea for the conference and expressed a willingness to finance such a meeting. The law school had the know-how and the resources to make the idea a reality. They brought experts to the school from the United States, France, Great Britain, and Australia to discuss the problem.

Mr. Speaker, the result was a first of its kind, the first time this growing problem in American society has been studied by scholars in law, psychiatry, sociology, and journalism.

That the conference struck a responsive chord with the public is indicated by the fact that approximately 25 news media covered the event and reports of the meeting were used by the major wire services, television and radio networks, national magazines and others. Both Sentry and the university were deluged with laudatory letters from editors, educators, lawyers, students and other private citizens.

Editorial writers for newspapers such as the Chicago Daily News and the Chicago Tribune joined in with praise for the meeting.

And, while no quick answers or solutions were produced at the conference it is evident that the spotlight of attention focused on the subject of involvement will have a beneficial and lasting effect on our society. For this reason alone Sentry and the law school should be commended for the leadership they demonstrated in this area.

Mr. Speaker, under unanimous consent, I include two editorials from the Chicago Daily News, one editorial from the Chicago Tribune, two news stories from the New York Times, one news story from the National Observer, and one from the Arizona Daily Star. In addition, I include a brief statement by John W. Joanis, executive vice president, chief operations officer of Sentry Insurance Co.'s, Stevens Point, Wis., at this point in the RECORD.

The material referred to follows:

[From the Chicago Daily News, Mar. 30, 1965]

THE BAD SAMARITANS

Since that March day a year ago when Catherine Genovese cried vainly to her New York neighbors for help as she was being stabbed to death, the baffling question of bystanders' responsibilities has been much in the public mind.

It is an important question of itself, and an aspect of a still more important one: Are the circumstances of 20th century life working to desensitize and even brutalize our society at the time of its greatest intellectual and technological triumphs?

On April 9 the question will be examined in a day-long conference at the Law School of the University of Chicago with a thoroughness benefitting the significance of the subject. Proposed by the Sentry Insurance Co., the meeting will bring together thoughtful men of law, medicine, philosophy, sociology, and communications.

"Our purpose," says Prof. Harry Kalven, Jr., who will preside, "is to examine the legal and moral problems that arise when man chooses to overcome apathy and assist his neighbor in trouble. If a good Samaritan is endangered and suffers injury or suit or even worse from his action, what are his legal rights, those of the victim, or of the attacker? And what are the consequences?

"On the other hand, what are the legal and moral implications of refusing to volunteer in situations of emergency or peril?"

We shall watch the proceedings with deep interest. For even bits and pieces of answers can be immensely useful when the question is as crucial as this one—the question of whether means can be found to bring a renaissance of the human spirit in time to avert the unimaginable disaster that must otherwise befall in this nuclear age. There is a spark of encouragement, meanwhile, in the fact that a private company and a great university are joining forces to study the problem.

[From the Chicago Daily News, Apr. 10, 1965]

SAMARITANS AND THE LAW

When Lawrence H. Boyd was driving a cab on the South Side on March 29, 1961, he tried to help two youths who were being beaten and robbed. He was shot, lost the use of his right arm, was unable to work for 4 years and fell deeply into debt. Alderman Robert H. Miller (sixth ward) has asked the city council to thank and reward Boyd.

This story gives sharp point to a conference held yesterday at the University of Chicago, sponsored by the Sentry Insurance Cos., on "The Good Samaritan and the Bad." Prof. Charles O. Gregory, of the University of Virginia, told the conference that little can be done through laws because those who ignore the voice of conscience will not heed the command of law.

However, Professor Gregory said, the very least that can be done is to confer legal immunity from liability for any suit resulting from attempts to help others. Some States confer such immunity to doctors. A bill to do so in Illinois is currently before the General Assembly and should be made into law.

Going further, Professor Gregory suggested public compensation for harm incurred while rescuing those endangered. This suggestion and similar others should be seriously weighed. Society must encourage people like Lawrence Boyd, who at great cost to himself refused to "pass by on the other side" and says that, in spite of all, he would do so again.

Special conditions in the modern world seem to dehumanize people, drying up the springs of man's concern for his fellow man. Basic answers must be sought in the home, the school, the church, and the community. But while that search is on, the law should be a humane, not a dehumanizing, influence. It should be, not a neutral and much less an enemy, but a friend and ally to the good Samaritan.

[From the Chicago Tribune, Apr. 15, 1965]

THE BAD SAMARITAN AND THE LAW

With shocking and apparently increasing frequency, city people have shown themselves unwilling to come to the aid of brethren in distress. Since the murder of Kitty Genovese in New York beneath the windows of at least 38 witnesses, not one of whom even telephoned the police, we've read repeatedly of assaults committed in buses, on subway trains, and elsewhere while witnesses stood or sat idly by.

Can't these bad Samaritans be punished for their cowardice or callousness? And if not, shouldn't a new law make them punishable? The problem was debated by American and foreign experts at the University of Chicago Law School the other day, and no ready solutions were forthcoming.

A basic concept of Anglo-Saxon law has always been the freedom of the individual to succeed—or to suffer—as a result of his own actions. This concept carries with it the implication that a man who minds his own business is likely to keep out of trouble. After all, you can be sued if you undertake to help an injured man and, in the process, do something that aggravates his injury. You can get into all sorts of trouble if you rush into a house to save a screaming woman and find that you've landed in the middle of a family quarrel. A man in Pennsylvania was arrested for firing birdshot at a gang of youths who were trying to break into a car to attack the occupants.

As Prof. Charles Gregory, of the University of Virginia, said, we don't know whether most bad Samaritans are guided by considerations like these or simply by fear of "getting involved" or of being inconvenienced or of risking injury to themselves. But clearly the law doesn't encourage people to be good Samaritans, and to this extent the law is inconsistent with our accepted moral obligations.

But to try to legislate these moral obligations might do more harm than good. To what extent should a prospective rescuer be required to risk his own life or property in order to save someone else's? What if his assistance proved unwanted, as in a family quarrel? And is it wise to try to legislate moral behavior any more than we already have done, especially at a time when the freedom of the individual is threatened everywhere by collectivist notions?

"I do not see," said Professor Gregory, "how we can legislate charity, altruism, and courage—both physical and moral."

He did suggest some things that might be done. We might give rescuers a reasonable amount of immunity from civil and criminal action against them. We might even compensate them for loss or injury which they may sustain in the process of trying to help, much as Britain now compensates the victims of assaults.

But these steps aren't going to make us all into good Samaritans. Instead, the promise of reimbursement might tend to make good Samaritanism into a racket, like ambulance chasing. The slick operator might rush about looking for prospective rescuees, willing or unwilling, and if he couldn't find any he might stage a phony rescue simply to obtain the compensation.

So it seems to us that there is a line beyond which Samaritans—good and bad—will have to answer only to their own consciences. It is the conscience, after all, that makes a good Samaritan good—not the law—and if a man's conscience tells him to act, he should be able to count on society not to penalize him or expose him unnecessarily to retaliation. The best thing the police and the courts and the law can do is to justify that faith.

[From the New York Times, Mar. 28, 1965]

"GENOVESE" CASES SPUR CONFERENCE

CHICAGO, March 27.—A man sits reading a newspaper as a baby toddles toward an open well. He watches. The baby falls in. He turns back to the sports page.

What is his legal responsibility? None.

Why? Because under the so-called good Samaritan rule in common law, "no one has the obligation to be a good Samaritan."

Professors at the University of Chicago Law School discussed this "emphatic nonobligation, this moral monstrosity without a legal wrong," at a meeting in the Tavern Club this week.

They were preparing for a conference next month on what appears to be a growing fear of "involvement."

The law school's interest stems from widespread comment on a string of cases like that of Catherine Genovese, who was fatally stabbed in New York while at least 38 neighbors in an apartment development heard her cries for help but made no response for fear of "getting involved."

"The Good Samaritan and the Bad, or the Law and Morality of Volunteering in Situations of Emergency and Peril, or the Failing To Do So" is the formidable title of the conference to be held April 9.

Legal scholars, philosophers, sociologists, and newspapermen from the United States, Australia, Britain, and France will take part.

QUESTIONS POSED

Prof. Harry Kalven, Jr., and Prof. Stanley A. Kaplan, who with Prof. Walter J. Blum have set up the conference, discussed the problem at the meeting this week.

Calling the conference a "fresh response to a new situation," Professor Kalven asked:

"If a good Samaritan is endangered and suffers injury or suit or even worse from his action, what are his legal rights? What are the rights of the victim? The attacker? What are the legal and moral implications?"

Following are some of the questions that make the "Genovese situation" more difficult than it might appear, and the basis, Professor Kalven said, of the conference.

Is this largely an urban problem? Is this a reflection of rugged individualism in a capitalistic country versus the welfare state? What is to be made of the fact that Soviet Russia, Vichy France, Fascist Italy, and Nazi Germany enacted laws imposing a burden to help?

Is the moral obligation only to call a policeman, a life guard or the fire department?

In other words, does modern society replace the "hero" of the rural society with a "cadre of officials ready to intervene"?

Should the law punish the "bad Samaritan" who turns his back?

Does the lack of legal responsibility make any difference?

Do people really know they are free to turn away, and would the threat of punishment make them good Samaritans?

If the law doesn't punish the bad Samaritan, should it reward the good Samaritan? And if so, how?

The participants in the conference will include:

Prof. Charles O. Gregory, University of Virginia Law School.

Prof. Andre Tunc, University of Paris.

Norval R. Morris, professor of law, University of Chicago.

Prof. Louis Waller, Monash University, Victoria, Australia.

Alan Barth, of the Washington Post.

Prof. Herbert Fingarette, Department of Philosophy, University of California.

Prof. Joseph Gusfield, Department of Sociology, University of Illinois.

Dr. Lawrence Z. Freedman, professor of psychiatry, University of Chicago.

Prof. Herman Goldstein of the University of Wisconsin Law School.

Hans Zeisel, professor of sociology and law, University of Chicago.

Prof. Anthony W. Honore, fellow of New College, Oxford, England.

[From the New York Times, Apr. 11, 1965]

EXPERTS DEBATE SHARED MORALITY—PANEL STUDIES PENALTIES IN "BAD SAMARITAN" CASES

(By Austin C. Wehrwein)

CHICAGO, April 10.—A woman, viciously attacked, lies bleeding in the street as 50 people pass by on the other side.

A farmer destroys his burning barn to prevent the fire from spreading to his neighbor's but the neighbor refuses to compensate the farmer.

A young man foolishly breaks a leg in a cave and an experienced man going to his help also breaks a leg.

Do such instances indicate that there is a "shared morality" in modern industrialized society, agreement that there is obligation to those in peril?

American law generally imposes no duty or penalties on the "bad Samaritan" who ignores strangers in need. A conference has been called at the University of Chicago to ask the question whether the laws should be changed.

That is the crux of the "Genovese question" and the expert panel with representatives from England, France and Australia at the university last night learned—but without reaching a formal consensus—toward the view that a shift in the law was needed.

There was apparent agreement that the good Samaritan deserves to have obstacles taken out of his path, so that at least he will not open himself to lawsuits when he helps someone. There was also a general agreement that the good Samaritan should receive compensation—for example the farmer who destroyed his barn—either from the government or from the person he helps.

But the Americans on the panel back away from the position that the law should impose a positive obligation, which might include a jail sentence, on the bad Samaritan who turns his back. The contention by the Americans was that a law was probably impractical. As Prof. Harry Kalven, Jr., of the University of Chicago Law School, the moderator, put it, the law does not expect people to be heroes but might take a dim view of "simply lousy conduct."

The panel worked with scholarly papers and with representatives from philosophy, sociology, psychiatry, and journalism as well as the law.

Heretofore the fact that Anglo-American law placed no liability on the frightened or indifferent man who, for example, watched idly while a baby drowned, was largely an academic "shocker," with which professors stirred up first-year law students.

The Catherine Genovese case last year and widely reported cases like it since have changed that. The Genovese case was that of a 28-year-old New York woman fatally stabbed as she returned home from work while 38 people ignored her cries for help.

While there was some dissent and a lively discussion on the 11-man panel there was general agreement that a new law could lead to and reinforce, or at least underwrite, a moral feeling that people should be good Samaritans if they could.

Antony W. Honore, a Fellow of New College, Oxford, gave the principal paper last night. He said duty stopped short at the brink of danger.

"Samaritans, it is held, must be good, but need not be moral athletes," he commented.

While Professor Honore advocated compensation to the good Samaritan who suffered injury or loss, he also said the law could demand positive action—that is, make it a crime not to be a good Samaritan under certain circumstances. England does not have a good samaritan law; Germany, Italy, the Soviet Union and France do.

Prof. André Tunc, professor of law at the University of Paris, said the French had found it just as easy to enforce a good Samaritan law as any other. But when asked if French law could have been applied in the Genovese case, he said it probably would not.

"You could not put a whole block of people in jail," Professor Tunc said.

Prof. Charles O. Gregory, University of Virginia law professor, said:

"I suppose there is much to be said for the old Anglo-American attitude of minding your own business—except that as the world changes, the other people's business in more and more ways becomes yours. But I do not see how we can legislate charity, altruism, and courage.

Yesterday afternoon Herman Goldstein, former executive assistant to Chicago Police Commissioner O. W. Wilson, and now a professor at the University of Wisconsin Law School, said police systems were originally designed for simple, homogeneous, and less-urbanized populations.

He said that the systems had relied heavily on citizen participation and had not caught up with the times and the difficulty of getting such participation in a heavily urbanized society.

The Good Samaritan Symposium was sponsored by the Sentry Insurance Cos., of Stevens Point, Wis.

[From the National Observer, Apr. 12, 1965]

GOOD SAMARITAN: WILL ANYONE STOP ALONG THE ROAD?—STATUTES ACTUALLY PENALIZE PEOPLE WHO TRY TO HELP VICTIMS OR THE POLICE

CHICAGO.—A young man lolled on a boat dock, soaking up the sun, casually puffing on a cigaret. He was a strong swimmer, but at this moment he was relaxing—and watching another man, who had fallen out of a boat, struggling to stay above water. The young man on the dock watched until the other disappeared forever under the rippling water.

This may sound familiar, like the recent stories about people who refused to help others in distress, but it occurred in 1928 in Massachusetts. A lawsuit followed, and it was held that the man on the dock had no responsibility whatever to try to save the other's life.

That was the law then, and it is the law now. On March 13, 1964, 38 men and women in the Kew Gardens section of New York City watched from their apartment windows while 28-year-old Kitty Genovese was stabbed to death—by an attacker who had time to leave the scene and return to finish his murderous assault—and they had no legal responsibility.

A judge once said, in such a case: "They must answer to a higher court."

A MORAL RESPONSIBILITY

Last Friday, a group of lawyers, professors, and newsmen gathered at the University of Chicago to talk about law and morality in a seminar entitled "The Good Samaritan and the Bad." Their judgment on this point was unanimous: Of course there is a moral responsibility to act within reason to save the life of a fellow man.

But they were aware of the absence of legal responsibility, and they pondered possibilities of how the law can be changed to at least encourage the good Samaritan. The gist of their conclusions was summarized by Prof. Charles O. Gregory of the University of Virginia Law School:

"I suppose there is much to be said for the old Anglo-American attitude of minding your own business, except that as the world changes, other people's business in more and more ways becomes yours. I do not see how we can legislate charity, altruism, and courage, both physical and moral."

STEPS THAT COULD BE TAKEN

"But some things we can do:

"We can widen the immunity of rescuers from tort (civil) liability, and even from criminal liability.

"We may even compensate them for harm they incur themselves.

"And we can punish people for failing to do something about situations with which their acts causally connect them, innocently or otherwise."

Professor Gregory deplored a legal result in which a person who has attempted to save another from accidental death or a

crime can be arrested or sued by the victim or even the criminal for using too much force.

"The least the law could do here is to let the rescuer use such force in protecting another against attack as he might use to protect himself," said Professor Gregory.

The professor pointed to the ironic experience of a Pennsylvania man, George R. Senn. Returning to his apartment one evening last summer, after visiting his wife and their first baby in the hospital, he saw a suspicious crowd of teenagers in the building parking lot. He called the police, but no officers came.

A few minutes later, Mr. Senn looked out of his window to see a group of young men surrounding a car containing one boy and three girls. They battered the car, and one jumped on the hood to kick in the windshield. Mr. Senn didn't know it at the time, but those in the car and those outside it were alined with two different gangs who had planned a "rumble" for later that night.

I HAD TO DO SOMETHING

Recalling the incident last week, Mr. Senn said: "I was infuriated. The police didn't come, and I felt I had to do something. Our apartment had been broken into a month before, and I had a shotgun loaded with skeet shot. I picked it up and fired."

Eventually, Mr. Senn fired five times as the gang at first dispersed and later reformed. When Mr. Senn called the police this time, they came—and arrested him. He had to spend the night in jail because they wouldn't let his lawyer see him until the next morning.

The participants in the gang fight, some as old as 22, were fined $50 each. Mr. Senn was convicted of aggravated assault and battery and firing a deadly weapon; the jury acquitted him of assault and battery with intent to kill.

The trial judge, Peter Diggins, was so shocked he refused to sentence Mr. Senn. But with court costs of $491, a $400 bail-bond fee, and $500 legal expenses, Mr. Senn was out $1,391.

Friends in the apartment building and others who have heard of the incident began to contribute toward those expenses. "We have passed the $1,391 mark," Mr. Senn reported last week. "Now all I have to worry about are the two lawsuits filed against me by members of the gang."

Short of this extreme case, however, there remains the problem of those who are injured or suffer other serious losses when assisting the victims of a crime or trying to help the police. Prof. Norval Morris, of the University of Chicago Law School, believes that "State compensation schemes are essential." He said:

"Since crime is endemic (in our society) and since it is chance in many instances which defines who shall be the victim of crime, and a combination of chance and high moral qualities which defines who shall be the injured good Samaritan, it is surely proper that society should share in the financial loss * * * to the good Samaritan, and to those who are financially dependent upon him, from the fact that he bore it for us."

LIKE AID TO VETERANS

Professor Morris compared such a compensation program to the Veterans' Administration, "by which the community shares in the loss for those who have suffered for us in war." He suggested it could be established along the lines of workmen's compensation or third-party motor-vehicle insurance.

The third of Professor Gregory's points, some kind of punishment for the callous bystander, is already reflected somewhat in hit-and-run driver statutes. A driver who might not be responsible for an accident can still be forced by law to stop and render any possible assistance.

But although it is often said to be too difficult to write laws forcing persons to render assistance, such laws have been written and—according to authorities at this conference—they do work in most nations of Europe, France, Germany, Italy, and the Soviet Union among them.

France's law, for example, makes it a crime to abstain from giving assistance to someone in danger when there would be no risk to him or to others. Punishment is 3 months to 5 years in jail plus a fine.

THE CONSCIOUSNESS OF SOCIETY

Under the Anglo-American common law, as it stands now, no one is liable, either civilly or criminally, unless he owes a "duty" to another. Perhaps as a sign that society is more conscious of helping others, that duty has been extended in recent years. An innkeeper clearly owes a duty to his guests. He cannot, for example, knowingly let a man die in a hotel room without trying to help.

But as one legal commentator puts it, "The law has persistently refused to recognize the moral obligation of common decency and common humanity to come to the aid of another human being who is in danger. * * *"

In fact, the law at present tends to discourage rather than encourage potential good Samaritans, especially when they are trying to help police. Said Herman Goldstein, former assistant to the Chicago police commissioner and now on the University of Wisconsin law faculty:

"In part this reaction is attributable to fear. Many persons believe—although statistics do not bear this out—that cooperation with the police may result in direct reprisal from the criminal. There is also the element of inconvenience. A housewife with children to take care of, or a small store operator with no one to mind the store, gradually loses interest as the police require him to view photographs and showups.

"If the victim was previously involved with a criminal trial, or had heard accounts of those who were involved, the likelihood of cooperation is substantially lessened. The loss of time, endless waiting, and innumerable delays that mark the typical criminal proceeding in a large urban area are a major source of discouragement.

"Repeated continuances sought on what appear to be questionable grounds are utilized as a defense maneuver to wear out the victim or the witnesses."

Yet, despite all these problems, and despite the outcries that follow the Genovese and similar incidents, there was this consensus at the seminar: This Nation has not become one of people who don't care about anyone else, of people who don't want to "get involved."

"If anything," said Herbert Fingarette, professor of philosophy at the University of California, "we have become morally more demanding. We are more shocked by a refusal to help." Dr. Lawrence Freedman, a psychiatrist at the University of Chicago Medical School, describes it as "heightened sensibility."

The feeling here was that the rash of stories in the past year about "bad Samaritans" is traceable to the publicity given the Genovese murder. Reports of such events seem to beget others; those at the seminar think the total no higher than in earlier years.

After all, as one speaker pointed out, the original good Samaritan was not exactly a hero. He cared for the beaten man, but he did not arrive until after the robbery; thus he never had to face the robbers. Whether most Americans today would fight the robbers—whether it is even wise to answer a cry for help from a dark alley—is one thing; most people here believe that there are few Americans who would pass a victim by.

Just last week in Chicago, two students at Northwestern University did not pass by. While driving on an expressway, they stopped when they saw a crowd gathered. A woman had flipped her car off a bridge and was trapped, sobbing, only her head poking from the car which lay in the swirling Des Plaines River. No one seemed to know what to do. But the boys did. They slid down a rope to the water, and holding on to each other and the car, pulled the woman free. All three were dragged downriver by the current until the passers-by managed to fish them out—battered but safe.

No one paid for the boys' ruined clothing—perhaps there ought to be a law about that—but as Northwestern's president, Dr. J. Roscoe Miller, told them, "Your reward will come for the rest of your life."

JERROLD K. FOOTLICK.

[From the Arizona Daily Star, Mar. 28, 1965]

EXPERTS DISCUSS BAD SAMARITAN—LEGAL CONFERENCE TO EXPLORE WHY PUBLIC HAS AN EMPHATIC NONOBLIGATION ATTITUDE

(By Austin C. Wehrwein)

CHICAGO.—A man sits reading a newspaper as a baby toddles toward an open well. He watches. The baby falls in. He turns back to the sports page. What is his legal responsibility? None.

Why? Because under the so-called good Samaritan rule in common law, "No one has the obligation to be a good Samaritan."

Professors at the University of Chicago Law School discussed this emphatic nonobligation, this moral monstrosity without a legal wrong, at a meeting this week.

They were preparing for a conference next month on what appears to be a growing fear of involvement.

The law school's interest stems from widespread comment on a string of cases like that of Catherine Genovese, who was fatally stabbed in New York while at least 38 neighbors heard her cries for help but made no response for fear of getting involved.

"The good Samaritan and the bad, or the law and morality of volunteering in situations of emergency and peril, or the failing to do so" is the formidable title of the conference to be held April 9.

Legal scholars, philosophers, sociologists, and newspapermen from the United States, Australia, Britain, and France will take part.

Prof. Harry Kalven, Jr., and Prof. Stanley A. Kaplan, who with Prof. Walter J. Blum have set up the conference, discussed the problem at the meeting this week.

Following are some of the questions that make the "Genovese situation" more difficult than it might appear, and the basis, Kalven said, of the conference.

Is this largely an urban problem? Is this a reflection of rugged individualism in a capitalistic country versus the welfare state? What is to be made of Vichy France, Fascist Italy, and Nazi Germany enacted laws imposing a burden to help?

STATEMENT BY JOHN W. JOANIS, EXECUTIVE VICE PRESIDENT, CHIEF OPERATIONS OFFICER, SENTRY INSURANCE COS., STEVENS POINT, WIS.

Sentry Insurance proposed and is underwriting the good Samaritan symposium for a number of reasons.

We in the insurance industry are legitimately concerned with property loss and personal injury. At Sentry, however, we believe that our responsibility extends beyond what merely is insurable. It extends to examining the value people place on life and property—even that which is not their own.

Like a great many others we have been troubled by the growing lack of concern of people toward their fellow citizens, as exemplified by the newspaper stories citing noninvolvement of citizens in emergency situations.

We at Sentry believe in involvement. As individuals we believe in assisting those who need our help. As a company this may

mean, as it does in this case, becoming involved in helping to shed some light on an issue of major public importance.

In this spirit, and for these reasons, we initiated the symposium. We are proud to be associated with the University of Chicago Law School in this project.

ECONOMIC INCENTIVES FOR CONTROL OF POLLUTION

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. OTTINGER. Mr. Speaker, I have today introduced legislation to amend the Internal Revenue Code of 1954 to encourage the abatement of water and air pollution by permitting the amortization for income tax purposes of the cost of abatement equipment over a period of 36 months.

This bill was introduced in the Senate by the distinguished Senator from Connecticut, Senator ABRAHAM A. RIBICOFF. It has received broad bipartisan support in that body and I am sure the same will be true in the House.

In his state of the Union message, President Johnson called upon us to "increase the beauty of America and end the poisoning of our rivers and the air that we breathe." He has projected programs involving increased Federal research, regulation, and technical assistance in the field of air and water pollution control. Furthermore, he directed the Chairman of the Council of Economic Advisers to "study the use of economic incentives as a technique to stimulate pollution prevention and abatement."

This is not a new idea. The first Federal legislation along these lines was introduced in 1947 and has been frequently introduced since then. Several States have adopted measures to ease State and local taxes to encourage pollution abatement programs undertaken by industry.

We can no longer ignore the dangers to health and safety caused by pollution of our air and water. We are improving Federal programs to aid States and communities in developing abatement programs, but if we are to be successful, a large part of the job must be done by private industry.

The purchase and installation of equipment to control pollution involves large expenses. Since these costs basically serve to protect the health and safety of the public, it is appropriate that the public share with private industry in the expenditures.

The bill I have introduced will help us obtain cleaner air and water by permitting taxpayers who buy expensive treatment equipment to deduct its cost over a 36-month period.

Under present law, a taxpayer who buys equipment designed to abate water or air pollution may take a depreciation deduction for such equipment. However, since some of this equipment has a useful life of 20 years or more, in many cases it will be a long time before the tax deductions equal the initial outlays. This bill provides that the entire cost of the equipment may be deducted over 36 months instead of over the useful life of the equipment.

This legislation provides that in order to qualify for the tax writeoff, the equipment must conform both to State and Federal policies and standards.

The Joint Committee on Internal Revenue Taxation estimates that this program will result in an initial decrease in revenues of $50 to $150 million in each of the first 3 years. These losses would diminish in subsequent years and in the long run would not, of course, cost the Federal Government anything since the bill merely accelerates the timing of depreciation. In view of the fact that we are now investing $100 million a year for the construction of municipal sewage treatment facilities, we can hardly refuse this kind of help to industry to undertake efforts to protect our air and water.

INTERGOVERNMENTAL COOPERATION ACT OF 1965

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. FRASER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. FRASER. Mr. Speaker, today I have introduced a proposed Intergovernmental Cooperation Act of 1965. This bill would permit specific improvements in the conduct of our system of cooperative administration of Federal grant programs. These improvements include more uniform administration of Federal grants to State governments, strengthening the hand of the Governor in the administration of Federal grants going to State departments, congressional review of new grant-in-aid programs at the end of 5 years, and freedom by Federal agencies to provide technical assistance and services to State and local governments on a reimbursable basis. Finally, at the local level, cities and counties would be favored as applicants for Federal grants, local and metropolitan planning would be strengthened, and more information provided to local governments on Federal land development decisions.

In the Senate a similar bill has been introduced by Senator MUSKIE, of Maine, and cosponsored by 38 other Senators, including the two distinguished Senators from Minnesota, Mr. MCCARTHY and Mr. MONDALE.

The concepts embodied in the Intergovernmental Cooperation Act of 1965 have evolved over a period of time and from the initiative of several agencies and organizations. Many of the provisions are buttressed by detailed studies conducted by the Advisory Commission on Intergovernmental Relations—a bipartisan national body created by the Congress and comprising representatives from all levels of government. My good friend, Arthur Naftalin, the distinguished mayor of Minneapolis, has been serving as one of the mayor members on this Commission.

One title of the bill would provide for more uniformity of those Federal grants which go to State governments. These proposals were developed by the Bureau of the Budget and were designed to deal with a number of issues raised in recent years by the National Association of State Budget Officers.

Another title of the bill would provide for a congressional review fairly early in the life of new grant-in-aid programs in order to ascertain whether (a) the grant-in-aid is accomplishing its intended purposes; (b) redirection is needed to meet new conditions, including possible expansion of the scope of the grant and the dollar authorizations; or (c) the program should be terminated in the event that it has substantially achieved its purposes. As the federally supported activities grow in scope and importance the need increases for continuous and intensive review and for more systematic coordination of the grant programs.

Such review and coordination are the overall objectives of the proposed act. It represents, in my view, a major effort to implement what President Johnson has described as "creative federalism," a system in which each level of government will perform best its proper function and in which all levels will make the most meaningful contributions to overall governmental policies and programs.

Another title—and this is particularly important for the urban areas of our Nation—would strengthen urban and metropolitan planning in the development and execution of federally supported projects in our metropolitan areas and would assist municipal corporations in urban areas in checking the further spread of substandard development in the suburban and unincorporated fringes of our cities.

Mayor Naftalin, in testimony before the Senate subcommittee which is considering these problems, characterized this "substandard urban expansion" by "absence of comprehensive planning; by minimum public facilities, often involving the dangerous use of private water sources and septic tanks in metropolitan locations; by minimal, if any, fire service or police protection; by marginal and overloaded schools; by inadequate building regulation; by insufficient zoning and land-use control; by lack of sufficient recreational or cultural facilities; by street construction at minimal rural road standards where city street standards are needed; by the absence of systematic drainage; and, in general, by almost total disregard for all those requirements of public facilities and services essential to the urban way of life.

Title IV of the bill would require Federal agencies to take into account the local planning objectives of city and county governments in the metropolitan areas prior to the making of grants to special units of government in those areas for the construction of physical facilities.

A final title of the bill would amend the Federal Property and Administrative Services Act by providing a uniform

policy and procedure for use and disposition of land within urban areas by the General Services Administration in conformance, to the extent possible, with the land utilization programs of the local governments concerned. This title would carry out specific resolutions of the U.S. conference of mayors and the National League of Cities with regard to the coordination of GSA acquisition and disposal activities with the affected local units of government.

In conclusion, I believe that the overall impact of the Intergovernmental Cooperation Act of 1965 will be to integrate, coordinate and simplify the administration of grant-in-aid programs. It will provide a more comprehensive planning framework within which Federal money can be more efficiently used and it will enlarge the opportunities for a creative partnership among Federal, State, and local governments. For these reasons, I strongly urge its adoption.

DAYLIGHT SAVING TIME

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. FRASER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. FRASER. Mr. Speaker, this past weekend we started through the annual time-taggle that surrounds daylight saving time in the United States. Daylight saving time started for some States and parts of other States on Sunday. Additional States or parts, such as my State of Minnesota, will switch to daylight saving time later. The rest will ignore daylight saving time as in the past. And this jumbled switching will take place in reverse in September and October of this year when these areas go off daylight saving time.

Both last year and again this year I have introduced legislation to provide at least a minimum of daylight saving time uniformity. My bill, H.R. 6134, would require that all States that have daylight saving time go on and off on the same dates. It would not force any community to utilize daylight saving time if it did not wish to, but would merely provide more uniformity where it is used.

The Sunday New York Times had an editorial on this "timely" subject. Although I do not necessarily agree with their call for compulsory daylight saving time, I commend the editorial to my colleagues, as follows:

TIME, PLEASE

Daylight-saving time starts today—if you live in New York or 1 of 14 other States or the District of Columbia.

In another 16 States, daylight saving is, like the sale of whisky, a matter for local option. Thus some areas of Virginia go on daylight-saving time today, some on May 30, and some never do. Minnesota switches to daylight-saving time on May 22, but only stays there until September 6. In the 19 remaining States, daylight-saving time is ignored year round.

If all this is rather confusing to the ordinary traveler, it is maddening to the transportation and communications industries. Because Federal law requires railroads to operate on standard time but most of their passengers use daylight-saving time, the Nation's railroads have to publish two kinds of timetables—and their harassed employees have to answer millions of questions on the subject.

A good argument could be made for staying on daylight-saving time throughout the year. Certainly there is nothing sacrosanct about the last Sunday in April. Longer days could just as well begin on the first Sunday in March.

Last year the Commerce Committee of the House and Senate approved different bills that made a small start out of this chaos by requiring States and localities that use daylight saving to adhere to a uniform April-to-October schedule. Since these measures did not reach a final floor vote, they are again up for consideration. Neither is adequate.

Congress should make daylight saving uniform and compulsory across the Nation for the 8 months from March through October. The United States has quite enough problems without trying to figure out what time it is.

FOREIGN AID DISCUSSIONS RESUMED

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. FRASER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. FRASER. Mr. Speaker, tomorrow, Wednesday, April 28, we are resuming the weekly foreign aid discussions sponsored by a bipartisan group from the Foreign Affairs Committee.

The meeting tomorrow at 3 p.m. in the Speakers dining room will center on the U.S. farmer's stake in Public Law 480 and foreign aid. The speakers will be Dorothy H. Jacobson, Assistant Secretary for International Affairs, Department of Agriculture; Richard W. Reuter, Director, food for peace; and Herbert J. Waters, Assistant Administrator, Office of Material Resources, AID.

I hope my colleagues will be able to join in what should be another very interesting discussion.

NEW YORK CITY IN CRISIS—PART L

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the 50th part of "New York City in Crisis."

This article appeared in the New York Herald Tribune of March 6, 1965 and concerns housing in New York City:

NEW YORK CITY IN CRISIS—BOTCHED HOUSING: CITY CLUB HEAD VERSUS CZAR

(By Barry Gottehrer)

New York City's housing program and its housing czar, Milton Mollen, were denounced yesterday by I. D. Robbins, builder and president of the City Club of New York, a nonpartisan civic organization founded in 1892.

"No government program in my memory in New York has been so miserably botched as the work under the jurisdiction of the housing and redevelopment board," charged Mr. Robbins.

"Milton Mollen is a gentle personality," said Mr. Robbins. "Like the mayor he suffers not at all from any compulsion to do anything. I would not personally hire him to expedite the construction of a privy."

Reached at his office at 2 Lafayette Street late yesterday, Mr. Mollen, chairman of the housing and redevelopment board since 1962 and housing and development czar since January, fired back that Mr. Robbins' remarks "are nothing but a conglomeration and rehash of the ravings with which he has filled the pages of the City Club newsletter in the past, with the addition that he has now descended to the level of personal character assassination."

Mr. Mollen charged that Mr. Robbins "obviously is suffering delusions of grandeur as a result of having been mentioned as a possible candidate for mayor on the Republican ticket.

"Anyone who has the least knowledge of housing will recognize the absurdity and foolishness of his contention that the housing problem 'is one of the easiest major municipal problems to solve.'

"If Mr. Robbins has found a magic formula that makes any sense, he has failed to share it with anyone else in the city or the Nation."

In his indictment of the city's housing crisis, Mr. Robbins earlier offered statistics and figures to document his charges.

Though he did not call for the ouster of Commissioner Mellen, Mr. Robbins did demand that the mayor "lop off whole sections" of the housing czar's staff and set up a timetable of new programs to push for new—and vitally needed—housing construction.

Mr. Robbins cited the continued decline in construction (20,000 apartment units were built in 1964) in a city in which one of every five families continues to live under slum conditions.

Since the 1920's, when 100,000 units per year were produced, the biggest year was 1963, when 60,000 units were completed, he said.

Since 1949 when the Federal Housing Act first provided funds for urban renewal, New York City—first under master builder Robert Moses and since 1960 under the housing and development board—has completed only 25,000 apartment units despite a total Federal, State, city, and private commitment of $2.2 billion.

Mr. Robbins said that the housing and development board today has more than 428 employees, and an administrative budget of $7.6 million, nearly double what is was 5 years ago.

Mr. Robbins said that the cost of supervision has been "more than 25 percent of the total value of all Mitchell-Lama construction (a State and city aided program set up 9½ years ago to encourage construction of middle-income housing).

Under this program, he said, the city has built only 6,427 units, fewer than 700 each year.

"I have nothing to compare this with but I am willing to bet there is no one in this room who has ever heard of a bigger figure for government supervision even going back to the pyramids of Egypt," he charged. "Robert Moses' people were able to make bricks without straw. Mellen makes them the way the Hindu untouchables of India make them, with buffalo chips."

In making his charges of bureaucracy and waste in the housing and redevelopment board, Mr. Robbins said that the department lists 90 people in executive management, 89

in administration and fiscal, 84 in project development, 136 in project service, and 29 in public relations.

"Who needs 29 people in a public relations department if there are no apologies to be made?" he asked. "What do we need a statistical section under a $20,000 a year Ph. D. to keep the figures for a program of 700 housing units a year?"

Highly critical of the city's talk of massive rehabilitation, Mr. Robbins said that new construction offers the only real solution to the massive deterioration.

Rehabilitation, he feels, is not economically feasible at the rents poor families can pay. The 114th Street $5 million one-block rehabilitation is a cruel fraud. It may have temporary value for a few families on 114th Street but it shows contempt for the intelligence of the Harlem people.

"If they do not reduce the dense occupancy of the buildings, if they let the buildings remain overcrowded with very poor people, nothing in the world can prevent those people from returning the buildings to their former condition. We will simply be hiding cesspools with geraniums."

He said that the people of the city can no longer wait for action from the mayor or pressure from the construction unions and contractors, whom, he described as a "leaderless, gutless bunch, unable to act even in their own self-interest."

The civic leader said that he attended a testimonial dinner for an unnamed building department official 2 weeks ago and that "the big joke of the evening was that business was so bad that after the dinner most contractors would be buying their next meals at Nedick's. Builders and contractors are simply the convenient victims of the tithing ritual."

Referring to an almost total collapse of the city's housing program, he placed the blame on the mayor.

"Compared to the other problems that plague this city and grow more critical every day, the problem of housing is the easiest one to solve," he said.

"The land is there. The money is available. The architects are ready. And there are plenty of people in the need of housing. When a job is relatively simple to solve and it doesn't get done, the man in charge must be held responsible. As far as I can see the mayor doesn't seems to care enough to see the problem solved.

"It is my impression that 20 good people could run a housing program several times as large as the present program and get it built without the sickening delays which afflict the present program and doubtless grow out of the bureaucracy itself. The situation now could hardly be worse."

His most scathing attack centered around Commissioner Mollen's recent promotion which, he called, "an immoral spectacle of the man who totally failed in the job being elevated to a new higher position, given an increase to $35,000 a year, given a staff of 6 executives and 12 clerical workers and assigned to oversee from a high staff position the very agency which he failed to operate when he was in charge of it.

"Unfortunately this is the kind of topsy-turvy logic which we have come to expect."

Last month, Mr. Robbins, talking again as president of the nonpartisan City Club, said that "New York City is undergoing its worst crisis in history" and that Mayor Wagner was "unfit to run for reelection."

Mayor Wagner refused to comment on this charge but one of his aids said that Mr. Robbins had been nominated by a Republican city councilman as the borough president of Manhattan last month.

A Pittsburgh newspaperman turned builder, Mr. Robbins, 52, is an enrolled Democrat who is a member of the reform movement that supported Mayor Wagner in 1961 in his bid for a third term.

He has been president of the City Club since November 1958, and has increasingly become one of the more outspoken critics of the city administration in the past few years.

In 1962, Mr. Robbins was defeated in a campaign to receive the support of Reform Democrats in Manhattan's 19th Congressional District to oppose Representative LEONARD FARBSTEIN, the Democratic incumbent.

NEW YORK CITY IN CRISIS—PART LI

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MULTER. Mr. Speaker, the following two articles concern slum conditions in New York City and are part of the series on "New York City in Crisis" appearing in the New York Herald Tribune.

The articles appeared in the Tribune on March 7, 1965, and follow:

[From the New York Herald Tribune, Mar. 7, 1965]

NEW YORK CITY IN CRISIS—43,000 OLD-LAW TENEMENTS—WHO ARE THE LANDLORDS?

(By Martin J. Steadman, of the Herald Tribune staff)

(In the greatest city in the world, perhaps the greatest ill is slum housing. The slum environment is a breeding ground for the cancers that are spreading throughout the urban body: crime, illiteracy, sickness, narcotics, race hatred. As part of the Herald Tribune's "New York City in Crisis" investigation, reporters Martin J. Steadman and Alfonso Narvaez have intensively examined two slum tenements on the Lower East Side. Reporter Steadman's first article, on the incredible complexities of ownership in the tenements, appears today. Tomorrow, reporter Narvaez tells the story of the people of the slums. Two other articles will follow.)

The two old-law tenements seem to mock each other across the Lower East Side slum street.

Until last week, the six-story walkup at 751 East Fifth Street had been without heat and hot water for its 22 families since December 17. Dozens of housing violations are pending on the building.

Across the street, at 704, city officials ordered the building vacated on January 23, after failing to gain compliance with the law on more than 100 housing violations.

Today, 64 years after the passage of the tenement house law, which forbade construction of any more dark, smelly hovels like the 86,000 houses that lined the slum blocks of the city, 43,000 old-law tenements remain, and a million New Yorkers live in them.

This is the story of two houses on East Fifth Street, between Avenues C and D, a slum street.

TRAIL OF THE MORTGAGE

Last Wednesday, Joseph Fiorillo, listed by the building department as the owner of 751 East Fifth Street, appeared in criminal court on a charge of failure to provide heat and hot water. The case was adjourned to March 23.

Through his attorney, Victor Roberts, of 401 Broadway, Mr. Fiorillo said he would plead not guilty. He said that though he did hold the deed to the building, he should not be considered the true owner because he had been victimized by the mortgagee.

Mr. Fiorillo said this was one of 10 buildings given to him last year by Joseph Braun, the mortgagee. He said he knew nothing of the conditions in the buildings when he took them over and now wants nothing more to do with them. Mr. Fiorillo said no cash was involved in the transactions; the deals were subject only to existing mortgages.

Next Wednesday, Arthur J. Clyne, listed by the Buildings Department as the owner of 704 East Fifth Street, is due in Housing Court to answer to charges that he failed to repair 59 violations placed on the tenement. Mr. Clyne said he will plead not guilty because he is not the owner of the building.

"I don't own it and the Buildings Department knows it," he said. "That building is in the hands of the mortgagees, Harry Holtzman and Samuel Braun."

Samuel Braun and Joseph Braun are said by business associates to be brothers. Neither could be located by Herald Tribune reporters. Joseph Braun and corporations in which he is an officer have been convicted five times in Housing Court, and have paid a total of $295 in fines.

Samuel Braun is a notorious slumlord who has paid fines in 48 cases. The fines ranged from $15 to $150 and total $2,090. Neither has ever served a jail term.

If Joseph Fiorillo doesn't own 751 East Fifth Street and Arthur J. Clyne doesn't own 704 East Fifth Street, who does own these buildings? Why is it so difficult to wade through the maze of attorneys, mortgagees, corporations and "managing agents" to find the name of the person who actually controls a building? The answers do not come easily, because nobody seems to want to be responsible for the slums.

WAITING FOR A LOAN

No law requires that deeds must be recorded with the city register. Though Mr. Clyne holds a deed to 704 East Fifth Street, he didn't record it.

"My arrangement with the owner was simply to be his attorney in a plan to completely refurbish the building," Mr. Clyne said. "I was to hold the deed and the rent moneys in escrow, using rent money only for the maintenance of essential services, until we could negotiate a loan from the city to rehabilitate the building."

Mr. Clyne admitted that the city would probably never sanction a long-term, low-interest loan to the owner, Abraham Gluck, of 256 Hewes Street, Brooklyn. Mr. Gluck had an interest in two corporations that owned the building from time to time, first the Liknos Realty Corp., and than the 454 West Realty Corp. He also was listed on buildings department records as managing agent. During the 5 years he has been connected with the building, he and other representatives have been in court six times, paying $460 in fines for failure to comply with housing violations.

Mr. Gluck no longer lives at the 256 Hewes Street address. He could not be located for comment.

Mr. Clyne blamed indifference by city officials to his rehabilitation plans for his court troubles.

"I wrote to Deputy Buildings Commissioner Judah Gribitz, Rent and Rehabilitation Administration Chief Hortense Gabel, and Housing Coordinator Milton Mollen, outlining our plans to refurbish the building," he said. "I never got an answer from any of them. First thing we knew the rents were reduced to $1, then receivership proceedings were begun, then came the vacate order."

KNOWS THE BACKGROUNDS

Reached for comment, Deputy Buildings Commissioner Gribetz said only:

"We know the building, its state of disrepair, and the number of times we were forced to take court action. The facts in this case speak for themselves."

The man in Mr. Clyne's office who helped set up the deal with Abraham Gluck is Seymour Gelfand. Mr. Clyne hired him to help on a rehabilitation program that was to include four tenements at first. Mr. Gelfand has paid numerous fines in housing cases and once drew a 5-day jail term for failing to provide heat in two Harlem tenements.

On June 30, 1962, the city seized the tenement at 714 East Ninth Street as the first building to be taken under its new receivership program. The building was in an extensive state of disrepair, and Buildings Department officials regarded it as a prime example of a slum building that needed immediate official attention. Mr. Gelfand was listed as the managing agent for the building.

At just about that time, Mr. Clyne was hired by the Real Estate Department as a $100-a-day consultant on the receivership program. He remained on the city payroll until June 1963, collecting a total of $3,275.

Shortly afterward Mr. Clyne and Mr. Gelfand became associates in the rehabilitation venture.

Long before Mr. Clyne became involved in 704 East Fifth Street, it was a bad building. Representatives of owning corporations had appeared in Housing Court 11 times since 1957, and paid a total of $585 in fines. Repeated inspections by the Buildings, Fire, and Health Departments led to the filing of hundreds of violations.

OF THE DUMBBELL ERA

Built in 1899 at a cost of $25,000, 704 East Fifth Street, is one of the infamous dumbbell apartment houses, so called because the plans called for a narrow air shaft about 50 feet long between the adjoining buildings, thus narrowing the houses in the middle so they were shaped like a dumbbell, looked at from above.

The 6-story building covers almost all of the 25- by 96-foot lot. Until September 1939, it had two toilets in the hall on each floor, one for every two families. In 1935 the legislature passed a law requiring a toilet in every apartment, but it took the owners of 704 East Fifth Street 4 years to comply. The same law demanded fire retarding of the cellar and halls, but that was not done until 1937.

There was no central heating until 1936.

The air shaft is 6 feet wide, and 11 of the 17 windows on each floor open onto whatever light and air is available there.

Compared with that building, 751 East Fifth Street, was a showplace when it was built in 1901. It cost Henry D. Baker $40,000 to put up the 24-unit house on a 34- by 96-foot plot. Central heating was installed, and there was a toilet in each apartment. Though the law didn't require such luxuries for 30 years or more, 751 East Fifth Street had them built in. It even had fire-retarded cellars and halls.

But today the tenants must chip in to buy their own coal and must shovel it themselves. Gaping holes in the walls and ceiling allow rats and roaches to run in and out. A gas line in a kitchen leaked for weeks. It was fixed by the landlord only after Criminal Court Judge Walter Bayer ordered him to fix it or face more serious charges.

The city has lowered the rents to $1 a month in each apartment.

Records on file at the buildings department show that inspectors visited 751 East Fifth Street 30 times in the last 2 years, and placed a total of 195 new violations on the building.

BY THE RECORD

Perhaps the answer to the mystery of how this can happen is best found in the court records. Here is the court history of 751 East Fifth Street and the owners and agents who answered the complaints:

February 8, 1957. Defendant Albert Anderson. Fined $10 by Judge Chapman.

June 28, 1960. Defendant Lazar Harfanes, 10 violations. Fined $50, Judge Strong.

July 13, 1961. Defendant not listed, 17 violations. Fined $100, Judge Strong.

December 14, 1961. Defendant Lazar Harfanes, four violations. Fined $40, Judge Chapman.

December 10, 1962. Defendant Israel Chanowitz, 27 violations. Fined $100, Judge Strong.

February 14, 1963. Defendant Israel Chanowitz, 20 violations. Fined $75, Judge Weinkrantz.

July 9, 1963. Defendant Israel Chanowitz, 43 violations. Fined $135, Judge Weinkrantz.

October 7, 1963. Defendant Israel Chanowitz, 32 violations. Fined $60, Judge Weinkrantz.

July 23, 1964. Defendant not listed, 33 violations. Fined $35 by Judge Arthur Braun, no relation to Joseph Braun, the mortgagee, or to Samuel Braun, mortgagee in 704 East Fifth Street.

Not all the owners and agents were personally convicted. In some of the cases, the judges permitted them to substitute their corporations as defendants and the corporations were convicted instead of the individuals.

But although the multiple dwelling law provides for a $500 fine and 30 days in jail for misdemeanor charges, and second offenses may be punished by fines of $1,000 and a year in jail, the owners and agents of 751 East Fifth Street have merely paid a total of $605 in fines for nine court appearances.

NEVER A JAIL TERM

Most of these owners and agents show up in court to answer charges pending against other tenements, too. Israel Chanowitz has paid fines ranging from $10 to $100 on properties in Harlem, Spanish Harlem and the lower East Side. He and his corporations have been convicted 25 times since 1959. He has never received a jail term.

Mr. Chanowitz has his side of the argument, and he delivers it forcefully:

"At 751 East Fifth Street," he says, "I was collecting $1,200 a month in rents and paying out $1,800 in expenses. When I appeared in court, the judges handed down automatic fines, not taking into consideration the thousands of dollars I was putting into that building for repairs.

"I put in extensive plumbing repairs, replaced many broken windows, I even spotted violations before the building inspectors and repaired them without being told.

"I repaired a broken window in a hallway after I got a notice from the buildings department. By the time an inspector arrived, it was broken again, and I got a violation.

"When the Rent and Rehabilitation Administration lowered the rents to $1 a month, I told them they could move in Mayor Wagner if they wanted, I was getting out.

"The landlord is no longer an investor. He has to be a super, a policeman, a lawyer, a mechanic * * *. What good is it if a landlord who is good for the country is subject to criminal proceedings over a broken window?"

Recently, in discussing the problem of the slums, Mayor Wagner said:

"We have stepped up our tenement house inspection to an unequaled pace. We have teams cracking down on the worst of our buildings. We have gone after the buildings and we have gone after the landlords who operated with no regard except as to profit.

"This we have done all over the city. Code enforcement has been stepped up to an unprecedented peak. Rather than sitting on our hands, we have probed, we have studied and we have acted."

LOTS OF ACTIVITY

The Herald Tribune investigation of just 2 of the 43,000 old-law tenements on our streets showed that there has indeed been a great deal of activity by the Buildings Department, the Rent and Rehabilitation Administration, Departments of Health, Fire, and Water Supply, and the Magistrates Courts.

But to the people who lived through all this official activity in these two houses on E. 5th Street—the landlords and tenants—it may have been nothing but an expensive, ineffective charade.

[From the New York Herald Tribune, Mar. 7, 1965]

A CALL FOR ACTION—RIGHT NOW—ON SLUMS DESTROYING CITIES

(By Barry Gottehrer, the Herald Tribune staff)

New York and the Nation's other troubled urban centers are in desperate need of massive intermediate Federal public works programs to fight the problems of slums and poverty, according to Senator JOSEPH CLARK, former mayor of Philadelphia, and a Pennsylvania Democrat, and civil rights leader Whitney Young, Jr.

This call for immediate action came at an all-day conference called "Cities in Crisis," sponsored by Representative WILLIAM FITTS RYAN, a three-term Democrat from the 20th Congressional District, and attended by more than 2,000 at the Riverside Church, 121st Street and Claremont Avenue.

As a first step Mr. Young, executive director of the National Urban League, called on Mayor Wagner and business and civic leaders to announce an immediate and total cleanup and paint up week for Harlem.

"When a city street becomes a cesspool, and when streets are dirty, the people who live there live dirty and act dirty. By doing this right now, the mayor would be showing the people of Harlem that, 'I may not be able to make miracles overnight, but, see, I really do care. This is a start.' "

Mr. Young was also extremely critical of the thunderous silence of so many good people and singled out New York's business community for remaining completely silent during the Harlem and Bedford-Stuyvesant riots last summer and since.

"The thing I deplore most about New York City—and the thing that is unique about it—is the failure of the businessmen of the city who have so great a stake in the city to speak up," he said.

"What people must realize today is that not only is there poverty and suffering in this city, but also an increasing despair and bitterness. We can no longer afford the luxury of prejudice."

Senator CLARK, who was elected mayor of Philadelphia in 1951 and was described by Representative RYAN as the "most courageous liberal in the U.S. Senate today," seconded Mr. Young's idea for a massive public works program.

He pointed out that there is only one source of revenue to provide the money desperately needed by the country to combat its growing and massive crises—"complete disarmament all over the world."

Representative RYAN, a reform Democrat who has previously indicated he may oppose Mayor Wagner in this year's Democratic primary, was more specific in his discussion of New York's problems and more scathing in his attack.

He pointed out that New York City's housing authority continues to receive 100,000 applications for apartments per year and likened the current Federal program, which also has been criticized by many members of the city administration, to "throwing a bucket on a bonfire" while we "pretend we've put out the blaze. But the slums will burn on, destroying people and cities."

Cting the Herald Tribune's continuing investigative series, "New York City in Crisis," he said "what we need first is an awareness of the real crisis in our cities. And with this awareness, we need massive planning,

we need imagination, we need leadership, and most of all, action.

"We will get that action as soon as—and not before—the citizens demand it. And if our cities are to survive, if our culture is to survive, if decent living is to survive, we'd better soon demand it."

In five panel sessions held during the day, U.S. Commissioner of Education Francis Keppel, U.S. Commissioner of Urban Renewal William Slayton and 20 other experts in urban affairs discussed New York City's growing and massive crises in education, housing, poverty, narcotics and administrative bureaucracy.

Earlier in the day Senator CLARK, whose speech related to New York in only the most general terms, said that "New York City has the problems of the world's cities magnified to the *n*th degree. Reform is possible anywhere if the people really want it. But the people can't do it alone without support from city hall."

PRESIDENT JOHNSON SIGNS INDIAN EDUCATION BILL

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. EDMONDSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. EDMONDSON. Mr. Speaker. President Johnson has signed into law H.R. 4778, a bill authored by our distinguished colleague from Florida, the Honorable JAMES A. HALEY. I was pleased to join Congressman HALEY in introducing this bill.

This much-needed measure will make possible an enlargement of our very effective adult vocational training program for American Indians between the years of 18 and 35. Today we are realizing definite gains in employment among the Indians, as a direct result of this program. Long waiting lists of applicants for training in each Indian agency are the best possible evidence of the program's popularity among Indians, whose principal ambition is to secure the vocational skills made possible through training.

President Johnson has once again demonstrated his strong belief in vocational education as the best answer to unemployment, and has further evidenced his friendship for the American Indian.

The President's eloquent statement, made as he signed the bill, follows:

STATEMENT BY THE PRESIDENT

I have signed H.R. 4778, a measure which authorizes increased funds for the vocational training of American Indians.

Fifteen million dollars will be authorized annually for institutional vocational training, on-the-job training and apprenticeship programs specially adapted to the needs of American Indian men and women.

The program of vocational training for Indian adults is relatively new and has accelerated enormously during the past 4 years. Since its inception in 1958, more than 13,000 Indian men and women have received training, nearly 10,000 of them in the past 4 years. Many of these people have family dependents—so the program has had an impact upon not only the 13,000 trainees but upon a total of almost 30,000 people. The heart of the program is education—in trade schools and technical institutes.

Currently, more than 600 courses are being provided in 113 different fields in public and private institutions throughout the country. The Indian trainees come from reservation areas where unemployment is six to seven times the national average—where industrialization is just beginning—and where population pressures on the land base have led to prolonged and extreme poverty. For the thousands who have already been trained, and for more thousands to come, vocational education is the beginning of opportunity.

The program is open to Indian men and women between the ages of 18 and 35 who live on or near reservations. They may receive up to 2 years of vocational training at Government expense. The institutional program provides for transportation, tuition, books, supplies, and equipment; subsistence for the individual and for his family if he has one; medical care; counseling with respect to community living, housing, and education; and, at the end of training, assistance in finding a job.

More than three-fourths of the individuals under this training program graduate from the school and training program of their choice. This high success rate is a tribute to the persistent character of the American Indian people and is testimony, if proof is needed, that the war against poverty can be won.

Vocational training is the beginning of opportunity—and it is the core around which factories hum, goods are transported, resources are developed, communications kept open, and our conquest of space made possible. These are opportunities in which American Indians should be sharing fully.

It gives me the deepest satisfaction to know that the increased funds authorized for American Indians by this act will add to our arsenal in the war on poverty. Moreover, this is a program which is hailed equally by the Congress and by the Indian people who are its beneficiaries. In my meetings with American Indian leaders, they have repeatedly told me that their major request is for a chance to become self-sufficient, active participants in the making of this country's future. This is the import of the bill I have signed.

THE CURRENT COIN PROBLEM

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. PATTEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PATTEN. Mr. Speaker, Alexander Jones, chief editorial writer of the Home News of New Brunswick, N.J., recently expressed his views on the mint and coinage situation.

His remarks are published in the CONGRESSIONAL RECORD so that they can be read and considered by the Treasury Department and Members of Congress.

Mr. Jones' comments follow:

Traditional Treasury policies will lead to chaos when the new cupro-nickel coinage is adopted. Treasury tried traditional policy with the Kennedy half dollar and we well remember what happened.

When the new metal coins go into production, there should be no change in design of the coins. The new ones thus will look like the current ones, and will be more difficult to hoard.

Currently, the Philadelphia Mint coins carry no mint mark, the Denver ones a "D." This should be continued. If a new mint is established elsewhere, no special mark should go on its coins. Every different mint mark multiplies the hoarding by creating a different variety.

The 1964 date should be continued on all coins indefinitely. To take it off creates a new variety. To use each year's date multiplies the varieties.

A most important way of preventing hoarding is to require that the Federal Reserve banks, which funnel coins from mint to member banks, mix new coins as received from the mint with circulated coins in their possession. This makes it impossible for hoarders to acquire new coins by bag or roll. And at the same time it scratches the new coins a little so collectors no longer regard them as uncirculated.

One of the great misconceptions of the current coin problem is the belief that tons of minor silver coins are being held by hoarders in anticipation of a rise in the price of silver. No sensible person would do this. It would be far more profitable to use the current coins, which have much less than face value in their silver content, and buy silver in the marketplace. The dimes and quarters and halves that are being hoarded are being hoarded for numismatic reasons.

ESTABLISHMENT OF A NATIONAL CEMETERY IN THE VICINITY OF SEDONA, ARIZ.

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. SENNER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SENNER. Mr. Speaker, the community of Sedona, Ariz., is one of the most beautiful and serene locales to be found anywhere in these United States. It is situated within colorful Oak Creek Canyon which annually draws tens of thousands of visitors from throughout the world.

I can think of no finer place anywhere for the establishment of a national cemetery. Toward that end, I have this day introduced appropriate legislation and earnestly solicit the support of my colleagues in its passage.

There is ample Federal property surrounding Sedona from which the Secretary of the Army may select a suitable site.

Mr. Speaker, as we honor the living, so let us pay homage to our deceased veterans with the national shrine this bill envisions.

Arizona, with its three major veterans hospitals, will be proud to provide a final resting place for those who serve our country in the Armed Forces; and for our Arizona veterans who will know that after their Maker has made his final rollcall, their mortal remains may be laid at rest in the State they loved and helped to build.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HALPERN (at the request of Mr. GERALD R. FORD), for the balance of the week, on account of official business at-

tending annual meeting of Inter-American Development Bank in Asunción, Paraguay.

Mr. ASHBROOK, for April 28 and 29, on account of death in the family.

Mr. GIAIMO (at the request of Mr. DADDARIO), for an indefinite period, on account of illness.

Mr. WHITE of Idaho (at the request of Mr. REUSS), for April 27, 28, 29, and 30, on account of the Sixth Annual Governors' Conference of Inter-American Development Bank in Asunción, Paraguay.

Mr. HANNA (at the request of Mr. REUSS), for April 27, 28, 29, and 30, on account of the Sixth Annual Governor's Conference of Inter-American Development Bank in Asunción, Paraguay.

Mr. KREBS, for May 3 and May 4, 1965, on account of official business.

Mr. MOELLER, on account of official business in district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. KLUCZYNSKI, for 60 minutes, on May 3 on the subject of "The 174th Anniversary of the Polish Constitution."

Mr. ERLENBORN, for 30 minutes, on Tuesday next.

Mr. RYAN, for 30 minutes, today; and to revise and extend his remarks.

Mr. SAYLOR, for 1 hour, tomorrow; and to revise and extend his remarks and to include extraneous matter.

Mr. ROOSEVELT, for 30 minutes, tomorrow.

Mr. FOGARTY (at the request of Mr. HUNGATE), for 5 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. ROGERS of Florida (at the request of Mr. HUNGATE), for 30 minutes, on April 29, 1965.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. REUSS.

Mr. JOELSON.

Mr. GILLIGAN.

Mr. COLMER.

Mr. MCCORMACK (at the request of Mr. BOLLING) and to include a speech.

Mr. BROCK to revise and extend his remarks on H.R. 6497 and to include various tables and extraneous material.

Mr. ZABLOCKI.

(The following Members (at the request of Mr. HUNGATE) and to include extraneous matter:)

Mr. POWELL.

Mr. COOLEY.

Mr. CALLAN.

ADJOURNMENT

Mr. HUNGATE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p.m.) the House adjourned until tomorrow, Wednesday, April 28, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

996. A letter from the Comptroller General of the United States, transmitting a report of inadequate planning, programing, and contracting for a fixed communications system for a foreign government under the military assistance program, Department of Defense; to the Committee on Government Operations.

997. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated September 3, 1964, submitting a report, together with accompanying papers and an illustration, on a survey of Phillippi Creek Basin, Fla., authorized by the Flood Control Act approved July 14, 1960 (H. Doc. No. 156); to the Committee on Public Works and ordered to be printed with one illustration.

998. A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting the semiannual report on the strategic and critical materials stockpiling program for the period July 1 to December 31, 1964, pursuant to section 4 of Public Law 79–520; to the Committee on Armed Services.

999. A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An act to provide for the annual inspection of all motor vehicles in the District of Columbia", approved February 18, 1938, as amended; to the Committee on the District of Columbia.

1000. A letter from the Secretary of State, transmitting a draft of proposed legislation to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes; to the Committee on Foreign Affairs.

1001. A letter from the Comptroller General of the United States, transmitting a report of need to consider modification of law relating to medical services furnished without charge to civilian field employees of the Public Health Service, Department of Health, Education, and Welfare; to the Committee on Government Operations.

1002. A letter from the Comptroller General of the United States, transmitting a report of excessive costs incurred by the Government for purchases of electronic equipment from Honeywell, Inc., Denver Division, Denver, Colo.; to the Committee on Government Operations.

1003. A letter from the Comptroller General of the United States, transmitting a report of additional costs incurred in the procurement of dress raincoats with expensive back vents, Department of Defense; to the Committee on Government Operations.

1004. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend the Communications Act of 1934, as amended, to conform to the Convention for the Safety of Life at Sea, London (1960); to the Committee on Interstate and Foreign Commerce.

1005. A letter from the Under Secretary of the Navy, transmitting the second annual report of the Naval Sea Cadet Corps for period ended August 31, 1964; to the Committee on the Judiciary.

1006. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the Dual Compensation Act; to the Committee on Post Office and Civil Service.

1007. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to assure adequate and complete medical care for veterans by providing for participation by the Veterans' Administration in medical community planning and for the sharing of advanced medical technology and equipment between the Veterans' Administration and other public and private hospitals; to the Committee on Veterans' Affairs.

1008. A letter from the Comptroller General of the United States, transmitting a report of unnecessary costs resulting from failure to acquire rights-of-way for an interstate highway in the State of Utah before properties were improved, Bureau of Public Roads, Department of Commerce; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee on Interior and Insular Affairs. H.R. 5269. A bill to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control; with amendment (Rept. No. 254). Referred to the Committee of the Whole House on the State of the Union.

Mr. DANIELS: Committee on Post Office and Civil Service. H.R. 6926. A bill to strengthen the financial condition of the employees' life insurance fund created by the Federal Employees' Group Life Insurance Act of 1954, to provide certain adjustments in amounts of group life and group accidental death and dismemberment insurance under such act, and for other purposes; without amendment (Rept. No. 255). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOWDY: Committee on the Judiciary. H.R. 6294. A bill to authorize Secret Service agents to make arrests without warrant for offenses committed in their presence, and for other purposes; without amendment (Rept. No. 256). Referred to the House Calendar.

Mr. GRIDER: Committee on the Judiciary. H.R. 3349. A bill for the relief of certain retired officers of the Army, Navy, and Air Force; without amendment (Rept. No. 257). Referred to the Committee of the Whole House on the State of the Union.

Mr. HUNGATE: Committee on the Judiciary. H.R. 5167. A bill to amend title 38 of the United States Code to authorize the administrative settlement of tort claims arising in foreign countries, and for other purposes; with amendment (Rept. No. 258). Referred to the Committee of the Whole House on the State of the Union.

Mr. KING of New York: Committee on the Judiciary. H.R. 5283. A bill to provide for the inclusion of years of service as judge of the District Court for the Territory of Alaska in the computation of years of Federal judicial service for judges of the U.S. District Court for the District of Alaska; without amendment (Rept. No. 259). Referred to the Committee of the Whole House on the State of the Union.

Mr. HUTCHINSON: Committee on the Judiciary. H.R. 5184. A bill for the relief of the port of Portland, Oreg.; without amendment (Rept. No. 260). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENNER: Committee on the Judiciary. H.R. 5640. A bill to provide for a jury commission for each U.S. district court, to regulate its compensation, to prescribe its

duties, and for other purposes; with amendment (Rept. No. 261). Referred to the Committee of the Whole House on the State of the Union.

Mr. KING of New York: Committee on the Judiciary. H.R. 6691. A bill to validate certain payments made to employees of the Forest Service, U.S. Department of Agriculture; without amendment (Rept. No. 262). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 6848. A bill to amend section 35 of title 18 of the United States Code relating to the imparting or conveying of false information; without amendment (Rept. No. 263). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary. H.R. 6507. A bill to make section 1952 of title 18, United States Code, applicable to travel in aid of arson; without amendment (Rept. No. 264). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H.R. 7617. A bill to amend the Internal Revenue Code of 1954 to provide for the treatment of certain real property acquired by foreclosure and subdivided for sale; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 7618. A bill to amend 28 U.S.C. section 2241 with respect to the jurisdiction and venue of applications for writs of habeas corpus by persons in custody under judgments and sentences of States courts; to the Committee on the Judiciary.

By Mr. DENT:

H.R. 7619. A bill to regulate interstate and foreign commerce by preventing the use of unfair or deceptive methods of packaging or labeling of certain consumer commodities distributed in such commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7620. A bill relating to the status of volunteer fire companies for purposes of liability for Federal income taxes and for certain Federal excise taxes; to the Committee on Ways and Means.

By Mr. DOW:

H.R. 7621. A bill to amend title I of the Tariff Act of 1930 to limit button blanks to crude forms suitable for manufacture into buttons; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 7622. A bill to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba; to the Committee on Foreign affairs.

By Mr. FOGARTY:

H.R. 7623. A bill relating to the classification of certain articles as braids under paragraph 1529(a) of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. FRASER:

H.R. 7624. A bill to provide for regulation of the professional practice of certified public accountants in the District of Columbia, including the examination, licensure, registration of certified public accountants, and for other purposes; to the Committee on the District of Columbia.

H.R. 7625. A bill to strengthen intergovernmental relations by improving cooperation and the coordination of federally aided activities between the Federal, State, and local levels of government, and for other purposes; to the Committee on Government Operations.

By Mr. HORTON:

H.R. 7626. A bill to amend the Federal Firearms Act; to the Committee on Ways and Means.

By Mr. JOELSON:

H.R. 7627. A bill to assist the several States in establishing hospital facilities and programs of post-hospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Pennsylvania:

H.R. 7628. A bill to repeal the manufacturers excise tax on lubricating oil; to the Committee on Ways and Means.

H.R. 7629. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on communications; to the Committee on Ways and Means.

By Mr. KREBS:

H.R. 7630. A bill to prohibit and make unlawful the hiring of professional strikebreakers in interstate labor disputes; to the Committee on Education and Labor.

By Mr. LEGGETT:

H.R. 7631. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. MOELLER:

H.R. 7632. A bill to provide for the conveyance of certain real property of the United States to the city of Athens, Ohio; to the Committee on Agriculture.

By Mr. PELLY:

H.R. 7633. A bill to amend the Civil Service Retirement Act so as to provide relief for those employees involuntarily separated from service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7634. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for certain taxpayers who have cerebral palsy; to the Committee on Ways and Means.

By Mr. POOL:

H.R. 7635. A bill to amend section 1498 of title 28, United States Code, to authorize the use or manufacture, in certain cases, by or for the United States of any invention described in and covered by a patent of the United States; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.R. 7636. A bill to amend the Internal Revenue Code of 1954 to repeal the retailers excise tax on toilet preparations; to the Committee on Ways and Means.

H.R. 7637. A bill to amend the Internal Revenue Code of 1954 to repeal the retailers excise tax on furs; to the Committee on Ways and Means.

H.R. 7638. A bill to amend the Internal Revenue Code of 1954 to repeal the retailers excise tax on jewelry; to the Committee on Ways and Means.

H.R. 7639. A bill to amend the Internal Revenue Code of 1954 to repeal the retailers excise tax on luggage, handbags, etc.; to the Committee on Ways and Means.

By Mr. SCHWEIKER:

H.R. 7640. A bill to require the establishment of certain regional offices for the Bureau of Customs; to the Committee on Ways and Means.

By Mr. SENNER:

H.R. 7641. A bill to provide that chief judges of circuits and chief judges of district courts shall cease to serve as such upon reaching the age of 66; to the Committee on the Judiciary.

By Mr. SHRIVER:

H.R. 7642. A bill to amend the Internal Revenue Code of 1954 to provide for the gradual reduction and eventual elimination of the tax on communications services; to the Committee on Ways and Means.

By Mr. SPRINGER:

H.R. 7643. A bill to authorize assistance in meeting the initial cost of professional and technical personnel for comprehensive community mental health centers; to the Committee on Interstate and Foreign Commerce.

H.R. 7644. A bill to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7645. A bill to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7646. A bill to amend the act of May 11, 1954 (ch. 199, sec. 1, 68 Stat. 81; 41 U.S.C. 321), to provide for full adjudication of rights of Government contractors in courts of law; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H.R. 7647. A bill providing for a nationwide marketing order for table eggs; to the Committee on Agriculture.

By Mr. UDALL:

H.R. 7648. A bill to authorize long-term leases on the Papago Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. WATTS:

H.R. 7649. A bill relating to the reserve for bad debts for income tax purposes in the case of banks; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 7650. A bill to amend the Historic Sites Act of 1935 to provide for the protection, preservation, and maintenance of the historic buildings and area of the Washington Navy Yard in the Nation's Capital, and the development of the area for the exhibition of historic vessels and weapons, for the benefit of the people of the United States; to the Committee on Interior and Insular Affairs.

By Mr. ANDREWS of North Dakota:

H.R. 7651. A bill to donate to the Devils Lake Sioux Tribe, Fort Totten Reservation, some submarginal lands of the United States, and to make such lands parts of the reservation involved; to the Committee on Interior and Insular Affairs.

By Mr. BARRETT:

H.R. 7652. A bill to require the establishment of certain regional offices for the Bureau of Customs; to the Committee on Ways and Means.

By Mrs. DWYER:

H.R. 7653. A bill to amend the Tariff Act of 1930, as amended, to limit button blanks to crude forms suitable for manufacture into buttons; to the Committee on Ways and Means.

By Mr. LEGGETT:

H.R. 7654. A bill to provide for family winter recreational use of a portion of the San Gorgonio Wilderness Area, San Bernardino National Forest, Calif., without reducing the area set aside for wilderness preservation within such forest, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'BRIEN:

H.R. 7655. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to consolidate certain provisions assuring the safety and effectiveness of new animal drugs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER:

H.R. 7656. A bill to amend the Internal Revenue Code of 1954 to encourage the abatement of water and air pollution by permitting the amortization for income tax purposes of the cost of abatement works over a period of 36 months; to the Committee on Ways and Means.

By Mr. RIVERS of South Carolina:

H.R. 7657. A bill to authorize appropriations during fiscal year 1966 for procure-

ment of aircraft, missiles, and naval vessels and research, development, test, and evaluation, for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. RYAN:

H.R. 7658. A bill to amend section 304 of the International Claims Settlement Act of 1949 to permit the adjudication of the claims of certain additional persons against the Government of Italy and provide for the payment of awards made on such claims from the remaining balances in the Italian Claims Fund; to the Committee on Foreign Affairs.

By Mr. SENNER:

H.R. 7659. A bill to provide for the establishment of a national cemetery in the vicinity of Sedona, Ariz.; to the Committee on Interior and Insular Affairs.

By Mr. WHITE of Texas:

H.R. 7660. A bill to authorize the conveyance of all right, title, and interest of the United States reserved or retained in certain lands heretofore conveyed to the city of El Paso, Tex.; to the Committee on Armed Services.

By Mr. WYATT:

H.R. 7661. A bill to conserve and protect Pacific salmon of North American origin; to the Committee on Ways and Means.

By Mr. BELL:

H.R. 7662. A bill to amend the Internal Revenue Code of 1954 to provide for the gradual reduction and eventual elimination of the tax on general telephone service; to the Committee on Ways and Means.

By Mr. CRAMER:

H.R. 7663. A bill to make it a crime to give false information in connection with registering to vote, to pay or accept payment for registering or for voting, or to alter any ballot or voting record, with respect to a Federal election; to the Committee on the Judiciary.

By Mr. MOSHER:

H.R. 7664. A bill to modify the Lorain Harbor, Ohio, project to authorize the construction of a steel bulkhead at Cut No. 1; to the Committee on Public Works.

By Mr. PELLY:

H.J. Res. 429. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ROBISON:

H.J. Res. 430. Joint resolution to set national policies for local airline service; to the Committee on Rules.

By Mr. WILLIS:

H.J. Res. 431. Joint resolution extending the duration of copyright protection in certain cases; to the Committee on the Judiciary.

By Mr. FRIEDEL:

H. Con. Res. 399. Concurrent resolution requesting the President of the United States to bring the Baltic States question before the United Nations and for other purposes; to the Committee on Foreign Affairs.

By Mr. GILLIGAN:

H. Con. Res. 400. Concurrent resolution to provide for printing additional copies of House document entitled, "Documents Illustrative of the Formation of the Union of the American States"; to the Committee on House Administration.

By Mr. ADDABBO:

H. Res. 348. Resolution to authorize the Committee on Armed Services to conduct an investigation and study with respect to all aspects of the proposed closing of the New York Naval Shipyard, Brooklyn, N.Y.; to the Committee on Rules.

By Mr. PATTEN:

H. Res. 349. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.

By Mr. WOLFF:

H. Res. 350. Resolution to stop the transfer of the Naval Training Devices Center at Sands Point, N.Y., pending an investigation; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

223. By Mr. HATHAWAY: Resolution of the 102d Legislature of the State of Maine memorializing Congress to extend the northern terminus of the Interstate and Defense Highway System in Maine from Houlton to Fort Kent; to the Committee on Public Works.

224. Also, resolution of the 102d Legislature of the State of Maine memorializing Congress to promote the protection of our gold reserves; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 7665. A bill for the relief of Hector Eduardo Chuy; to the Committee on the Judiciary.

By Mr. BURKE:

H.R. 7666. A bill for the relief of Carmela DeFalco Bottiglieri and Fiorella Bottiglieri; to the Committee on the Judiciary.

H.R. 7667. A bill for the relief of Donald F. Farrell; to the Committee on the Judiciary.

By Mr. CAMERON:

H.R. 7668. A bill for the relief of Tai Kwan Chow; his wife, Lai Ken Wong; and two children, Johnson Wong Chow Kwan and Chow Wong Kwantay, Jr.; to the Committee on the Judiciary.

H.R. 7669. A bill for the relief of Antonio J. Ramirez; his wife, Josefina A. Ramirez; and three daughters, Maria Socorro Ramirez, Maria Milagros Ramirez, and Maria de Carmen Ramirez; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 7670. A bill for the relief of Tilda Pieropan Masiero; to the Committee on the Judiciary.

H.R. 7671. A bill for the relief of Miss Zofia Suchecka; to the Committee on the Judiciary.

H.R. 7672. A bill for the relief of William A. Wood, III; to the Committee on the Judiciary.

By Mr. CORMAN (by request):

H.R. 7673. A bill for the relief of Yeghsa Ketenjian; to the Committee on the Judiciary.

H.R. 7674. A bill for the relief of Mercedes De Toffoli; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 7675. A bill for the relief of Yaffa Cazes; to the Committee on the Judiciary.

H.R. 7676. A bill for the relief of Olasz Katalin; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 7677. A bill for the relief of Loris Nevrous and Therese Nevrous; to the Committee on the Judiciary.

H.R. 7678. A bill for the relief of Natale Scolareci; to the Committee on the Judiciary.

H.R. 7679. A bill for the relief of Aurora Trabucco; to the Committee on the Judiciary.

By Mr. FRIEDEL:

H.R. 7680. A bill for the relief of Anastasios Kokkinakos; to the Committee on the Judiciary.

By Mr. GRABOWSKI:

H.R. 7681. A bill for the relief of Kenneth L. Ostrander; to the Committee on the Judiciary.

By Mr. HANSEN of Iowa:

H.R. 7682. A bill for the relief of Mr. and Mrs. Christian Voss; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 7683. A bill for the relief of the Rochester Iron & Metal Co.; to the Committee on the Judiciary.

By Mr. KREBS:

H.R. 7684. A bill for the relief of Mrs. Adelina Marcelo Miranda Gapac; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 7685. A bill for the relief of Maria Calderon; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 7686. A bill for the relief of Renato Camacho and Amparo Gonzales Castro; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 7687. A bill for the relief of Hermano Braz de Andrade; to the Committee on the Judiciary.

H.R. 7688. A bill for the relief of Gee Kui Chuen; to the Committee on the Judiciary.

H.R. 7689. A bill for the relief of Fernanda Mendonca; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 7690. A bill for the relief of Edgar Chin; to the Committee on the Judiciary.

By Mr. RESNICK:

H.R. 7691. A bill for the relief of Miss Dobrila Makic; to the Committee on the Judiciary.

H.R. 7692. A bill for the relief of Mr. Pasquale Provenzano; to the Committee on the Judiciary.

H.R. 7693. A bill for the relief of Mrs. Michael Ross; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 7694. A bill for the relief of Antonio Alonzo; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 7695. A bill for the relief of Luigi Viekoslav Pirjavec; to the Committee on the Judiciary.

H.R. 7696. A bill for the relief of Norma Veronica Chang; to the Committee on the Judiciary.

H.R. 7697. A bill for the relief of Fred Yao; to the Committee on the Judiciary.

H.R. 7698. A bill for the relief of Sraga (Ferenc) Frank; to the Committee on the Judiciary.

H.R. 7699. A bill for the relief of Hi Ju Paek; to the Committee on the Judiciary.

H.R. 7700. A bill for the relief of Adelaide Laura Roncati; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 7701. A bill for the relief of Hannah Asta Feinreich; to the Committee on the Judiciary.

By Mr. SELDEN:

H.R. 7702. A bill for the relief of Mrs. Kwong Yeat Ying DockOn and her minor children, Helen, Earline, Benjamin, and Raymond DockOn; to the Committee on the Judiciary.

By Mr. TOLL:

H.R. 7703. A bill for the relief of Mario Guglielmi; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 7704. A bill for the relief of Cecilia Pocsik; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

188. The SPEAKER presented a petition of Council of the City of Sitka, Alaska, relative to opposing the proposed closing of the Alaska regional office of the Veterans' Administration; to the Committee on Veterans' Affairs.